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In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4160

New York, N. Y., Thursday, March 18, 1943

Price 60 Cents a Copy

OUR REPORTER'S REPORT

Unless there is a change in the reported plans of the two companies involved, Monday, March 29 bids fair to be a decidedly active day for underwriting bankers who are interested in the refinancings projected by the Puget Sound Power & Light Co. and the Public Service Corp. of New Hampshire.

Puget Sound already has advertised for bids for its issue of $52,000,000 of first mortgage 30-year bonds to be submitted to it for consideration on the foregoing date.

And in banking quarters it was the assumption that the New Hampshire utility would, within the week, take similar steps seeking bids for an issue of $20,500,000 of first mortgage 30-year bonds. In fact, until now it had been more or less assumed that the New England power company would be the first in the field.

Although it now looks like a "double-header," to revert to baseball parlance, bankers are hopeful that one or the other of the prospective issuers will ease the situation by changing the date for bids.

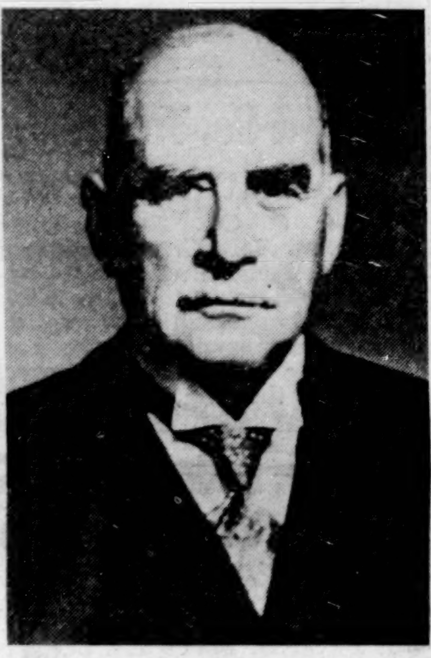
Underwriters, it is pointed out, are far from overstaffed these days, and it is frankly admitted the task of working on the two proposals simultaneously will impose a burden of no mean proportions.

Meanwhile another thought uppermost in the minds of bankers is the fact that by tieing up considerable amounts of money at-

(Continued on page 1006)

John Pierpont Morgan In Memoriam

J. P. Morgan, America's most eminent financier and a world-wide figure in the realm of national and international finance, passed away at Boca Grande, Florida, last Saturday afternoon, March 13.



John Pierpont Morgan

Mr. Morgan was stricken on Feb. 25 with a recurring heart ailment and after rallying twice in the last two weeks, went into a coma on the last three days of his illness without regaining consciousness. Mr. Morgan's ailment dated back several years, as he had previously suffered two severe and several minor attacks before the final one at Boca Grande where he had gone for a quiet vacation of rest and recreation, particularly to get in some fishing in the Gulf of Mexico.

Much has been written and much more will be written in the newspapers about this modest and unassuming American who, as the head of the famous banking house bearing his father's name, guided its destinies with the aid of his eminent partners through thirty years of ultra-prosperity, counter balanced by a protracted period of extreme depression, social and political disturbances and two of the most devastating World Wars known to mankind.

His task was not an easy one and only a big man like Mr. Morgan could have taken over the world-wide responsibilities of the House of Morgan from his illustrious father, J. Pierpont Morgan, who died in Rome in 1913 at 75, the same age as his son.

How well he met these heavy and arduous responsibilities, adding new distinction to the banking fame of his family name, is one of the annals of the "Street."

Merely to mention the aid which his firm rendered to Great Britain and France as their fiscal agents in the first World War is distinction enough for any banker or any banking firm.

The $500,000,000 loan negotiated for Britain and France, while the United States was still a neutral nation, was the largest loan placed by a private banking firm in this or any country up to that time.

It would be honor enough for any financier or any banking firm to be able to say when the United States entered the Second World War that of the $2,200,000,-

(Continued on page 1015)

Program To Salvage Fiscal And Monetary Solvency

In an enlightening article appearing in the "Chronicle" of March 4, bearing the above caption, Dr. Walter E. Spahr, Professor of Economics, New York University, and Executive Secretary of the Economists' National Committee on Monetary Policy, condemned various moves leading us into serious inflation and expressed faith in our ability to carry our post-war national debt without backbreaking taxation or resorting to currency dilution in any form.

Recognizing the vital importance of this subject, which will obviously constitute the foremost of our post-war problems, the "Chronicle" invited comments regarding the views and beliefs expressed by Dr. Spahr in his article. A considerable number of letters which were received originally were given in last Thursday's issue, more are now given below, and the remaining ones which came to hand more recently will be published in the March 25 number.

HARRY F. BYRD

United States Senator from Virginia

To pay the debt off by greenbackism and currency depreciation would be dishonest and very disastrous to the country.

While, of course, the duration of the war is unpredictable, yet, we may expect, I think, a debt of $300,000,000,000 before the budget is again balanced. At the present rate the interest charge will be seven and a half billion dollars a year, which is nearly twice as much as the total cost of the Federal Government in 1930.

Harry F. Byrd

There are only three things that can be done with this debt: One is outright repudiation, which is dishonest and unthinkable. Another is to pay the debt by starting Government printing presses, which would result in depreciation of the value of our currency, and would likewise be dishonest and disastrous. The third, and the only sound and honest way to meet this debt is to recognize that it should be paid in dollars of present-day value. The only way to accomplish this is to preserve a strong and vigorous private enterprise system and reduce to the very minimum the cost of Government.

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How Fire And Casualty Companies Fared Under European First War Inflation

By E. A. VAN DEUSEN

An accompaniment of the first World War in all affected countries was inflation. It was particularly severe in Germany, Austria and France, but comparatively moderate in Great Britain and the United States. How insurance companies fared under inflation in the United States from 1914 to 1919 was set forth in an article in the "Chronicle" a few weeks ago. This week it is proposed to survey insurance companies in France the experience of fire and casualty and Germany under the impact of an inflation that was devastatingly severe. Unfortunately, though, there does not appear to be a great deal of statistical data available, comparable, for instance, with that which has been published on French banks, as reviewed in this column on February 25th.

However, a number of studies of the effects of inflation in European countries on insurance companies, banks, educational institutions, etc., have been made and published, and to which those sufficiently interested might profitably turn for more complete information. Several of especial interest are cited by title, author and publisher, as follows: "The French Franc: 1914-1928," Dulles, Macmillan Co.; "The Dollar and he Franc and Inflation," Dulles, Macmillan Co.; "The Process of Inflation in France," Rogers, Columbia University Press; "Exchange, Prices and Production in Hyper-Inflation: Germany, 1920-1923," Graham, Princeton University Press; "The Stabilization of the Mark," Dr. Schacht, Adelphi Company. Among pamphlets, there are two which appear to be of particular value, viz: "An Engineer Looks at Inflation: Its Effects in Germany and France," by Dr. Walter S. Landis, and "Inflation and After: Case Studies," by Philip G. Wright, both of which were published by The Duke Endowment.

Most of the published information on the experience of insurance companies in France and Germany which this writer has examined has pertained to life insurance companies, which suffered very greatly, while that pertaining to fire and casualty companies has been relatively meager. Dr. Walter S. Landis, Vice-President of the American Cyanamid Company, some ten years ago made an extensive first hand study in France, Germany, and other European countries. His findings have appeared from time to time in pamphlets, etc., including the one mentioned above. Among matters pertaining specifically to fire insurance com-

(Continued on page 1006)

J. A. Traviss Will Resume Inv. Business

TORONTO, ONT., CANADA—James A. Traviss has disposed of his interests in The Eureka Planter Company, Limited, Woodstock, Ontario, and has resigned as President and Director.

Mr. Traviss was President of Traviss, Scholfield & Company, Limited, bond brokers of Toronto who retired from business last May. He expects at an early date to return to Toronto and engage in the bond business under his own name.

du Pont Co. To Admit Four To Partnership

Effective April 1, John S. Billingslea, Wheaton M. Grant, and William E. Nulty will be admitted to general partnership in Francis I. du Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges. Marianna du Pont will become a special partner in the firm as of the same date.

Role Of Finance In War & Post War World

Commissioner Robert H. O'Brien of the Securities and Exchange Commission will speak on "The Role of Finance in the War and Postwar World" at the New School for Social Research on March 19 at 8:20 p.m.

This is one of the weekly forums on "New Patterns in Business and Finance" of which Rudolph L. Weissmann is Chairman.

Viner To Admit Keenan

Henry C. Keenan, member of the New York Stock Exchange will become a partner in Edward A. Viner & Co., 2 Rector Street, New York City, on March 19th. Mr. Keenan recently has been acting as an individual floor broker, and prior thereto was a partner in the Viner firm.

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The Business Man's Bookshelf

Road To Victory, The—Archbishop Francis J. Spellman—Charles Scribner's Sons, New York, N. Y.

Timing of Price Changes, The—Chapter X of the forthcoming book "Price-Making in a Democracy"—Edwin G. Nourse—The Brookings Institution, Washington, D. C.—paper—25c.

Workers and Bosses Are Human—Collective Bargaining at Work—by T. R. Carskadon—Public Affairs Committee, Inc., 30 Rockefeller Plaza, New York City—paper—10c.

Rutter & Co. To Be N. Y. Exch. Members

Rutter & Co., 20 Exchange Place, New York City, investment firm established in 1919, will become members of the New York Stock Exchange, with the acquisition of membership in the Exchange by Edgar Z. Wallower, partner in the firm, on March 25.

David H. Bodell With Day, Stoddard Firm

NEW HAVEN, CONN. — Day, Stoddard & Williams, Incorporated, 95 Elm Street, announce that David H. Bodell has become associated with their firm. Mr. Bodell was formerly New Haven manager for Bodell & Co., Inc.

Richard Bolfing Now With Edw. D. Jones

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Richard Bolfing has become associated with Edward D. Jones & Company, 705 Olive Street, members of the New York and St. Louis Stock Exchanges and other leading Exchanges. Mr. Bolfing was formerly Vice-President of Witsma & Co., Inc., which is discontinuing business.

Paul Shesterkin With Baker, Simonds & Co.

(Special to The Financial Chronicle)

DETROIT, MICH. — Paul P. Shesterkin rejoined the staff of Baker, Simonds & Co., Buhl Building, members of the Detroit Stock Exchange. Mr. Shesterkin has recently been associated with Van Grant & Co. in charge of the statistical department.

Richard Sprayregen Will Be Eisele & King Partner

Richard H. Sprayregen will shortly become a partner in Eisele & King, Libaire, Stout & Co., 50 Broadway, New York City, members of the New York Exchange. Mr. Sprayregen will acquire the New York Exchange membership of the late Emil A. C. Keppler.

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Eastern Gas And Fuel Situation Of Interest

According to a memorandum on Eastern Gas & Fuel Associates issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City, the 6% cumulative preferred stock of the company is psychologically in a good position to move forward and at current levels offers interesting possibilities. Copies of the March "Preferred Stock Guide" containing a discussion of this issue and comparative quotations on preferred stocks, may be had upon request from G. A. Saxton & Co., Inc.

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Thursday, March 18, 1943

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other Offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions in United States and Posessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.

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Baker & Co. Formed; New Securities Firm

Harold I. Baker has organized Baker & Company with offices at 40 Wall Street, New York, to transact a general investment business in industrials, public utilities, railroads, real estate bonds, bank and insurance stocks. The firm will also handle government and municipal bonds. Mr. Baker has been well known in Wall Street for the last 12 years and in 1938 formed Baker, Hughes & Treat, recently dissolved. T. Edward Prendergast, associated with prominent houses over the past 25 years, has joined the new firm in charge of the bond department. The retail investment department includes supervisory service for customers' portfolios.

Walter H. Phillips Joins Blyth & Co.

Blyth & Co., Inc., 14 Wall Street, New York City, announce the association with them of Walter H. Phillips. He will be identified with the sales department of the firm's New York office. Mr. Phillips has been actively engaged in the investment business for over 20 years.

Portland Merrill has also become associated with Blyth & Co., Inc., in the municipal department.

Bond Club of N. J. To Hold Meeting Today

Cyrus R. Currier, President of The Bond Club of New Jersey, announces that a luncheon meeting will be held on Thursday, March 18, at the Robert Treat Hotel, Newark. Henry J. Taylor, war correspondent, and author of "Time Runs Out," will address the meeting on "How We Will Invade Europe." Mr. Taylor, who was one of the last Americans to leave Germany, returned from Turkey and the Battle of Egypt recently.

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It would appear to us that investment in good industrial companies offers an opportunity to hedge against rising costs of goods and services. Some of our New England companies are still selling at prices lower than their net quick asset values and afford liberal yields based upon current dividends.—*Wm. S. Thompson, Ralph F. Carr & Co.*

Hartford, Conn.

Considerable activity in our local stocks is in evidence, the demand being fairly broad, including the industrial, public utility and insurance groups. Dealers generally report a very satisfactory business. The quick sale recently of a block of more than 20,000 shares of Aetna Life Insurance Co. stock was gratifying.—*F. Edward Bosson, Putnam & Co.*

Portland, Me.

We have found a strong demand for legal rails. Among individuals, railroad bonds other than legal have met with ready sale, if they possessed real merit with some speculative possibilities. We would wish for a broader legal list. Insurance, bank and public utility stocks are in demand. Safety and reasonable yield appeal to Maine people. Government bonds have first call. Deposits are high. We work under war conditions but our investors and business men are unafraid.—*Jones, Holman & Co.*

Although Portland is a boom city, we are not feeling it in the security business. However, recently we have seen cases of people withdrawing money from savings accounts in order to buy securities. They are, however, people who in the past have been interested in securities. We can see no sign of the general public turning toward investments.

It would seem in observing the listed markets that unfortunately there is developing a general following in the market which seems to be interested in the cheap equities. From 25 years' experience in this business, I am firmly convinced that as usual, this attitude will lead to a lot of disappointments. I believe it is unfortunate that the purely investment section of the financial industry is not able at the present time to support salesmen who can go out and direct savings into real investment channels.—*Carl K. Ross, President and Treasurer, Carl K. Ross & Co., Inc.*

Offers Possibilities

Chicago & North Western first and refunding 4½s and 5s, 2037, offer attractive possibilities according to a circular just issued by McLaughlin, Baird & Reuss, 1 Wall Street, New York City, members of the New York Stock Exchange. Copies of this interesting circular may be had upon request from the firm.

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NOW Is The Time To Advertise!

At last the public is once again becoming interested in "the financial page." As is always the case—the pendulum is swinging back again. After almost four and a half years of negligible public participation in the securities markets, trading activity during the past several weeks indicates that once again the American people are turning to the securities markets; as they have always done in the past, when they are in **the mood to invest.**

Because people are now becoming receptive to investment suggestions, is the very reason why it is our opinion that **NOW IS THE TIME TO ADVERTISE.** An advertising campaign during the next three to six months should be more profitable than at any time in years. There are two things that many people desire to know about that every alert dealer should stress at this time:

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There is a truism in the advertising field that goes something like this—when business is bad you should advertise and when it is good YOU SHOULD ADVERTISE TWICE AS MUCH. This is a sample of how the public attitude toward securities has changed from one of indifference to a keen desire once again to "buy some-

(Continued on page 1007)

House Group Drops Pay-As-You-Go Tax Plans—Favors Discount System & 20% Withholding Tax

Following the earlier abandonment of all pay-as-you-go tax legislation and its decision to retain the present collection system but provide for a 20% withholding levy on wages and salaries, beginning July 1, the House Ways and Means Committee, in completing its work on the bill on March 16 approved a discount plan to reward taxpayers who voluntarily put themselves on a pay-as-you-go basis by paying double taxes this year.

Under this proposal a taxpayer remitting any part of the taxes on his current 1943 year's income by June 15 would be given a 6% discount on that part; by Sept. 15 the discount would be 4%, and by Dec. 15, 2%. Thus if any taxpayer desired to estimate the tax obligation on his 1943 income and pay up before next Dec. 15, in addition to paying his 1942 tax obligation, he would get the discount depending on how early the payment was made. This discount rate would apply only in the year 1943. For subsequent years the discount rate scale would be 4, 3, 2, 1, respectively, for the quarterly periods.

The Committee further decided to give a discount of 3% to amounts withheld from wages in 1943 if applied to 1943 taxes. Next year the discount on sums withheld would be 2%.

With respect to the action of the Committee on March 16, we quote the following from Washington advices to the New York "Times."

"Other additions calculated to make this measure more appealing were provisions to exempt all service pay up to $3,500 from income taxes retroactively to Jan. 1, 1942, cancel the outstanding income tax liability of persons in the services who die from any cause during the present war and exempt clergymen from the withholding tax of 20%, which would become effective July 1.

* * *

"Although no copies of the committee bill were available tonight, it was learned that the bill is devoted to the 20% withholding tax, not going into the question of nonwage and salary individuals, who would continue to pay their taxes on the present basis.

The 20% tax is comprised of 3% representing the effective rate of the Victory tax, against which a single exemption of $624 applies, and 17%, against which the exemptions of the 1942 revenue act,

(Continued on page 1007)

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Harry Wyeth In N. Y. C.

Harry B. Wyeth, Jr., President of Wyeth & Co., 647 South Spring Street, Los Angeles, Calif., members of the Los Angeles Stock Exchange, is visiting at the firm's 40 Wall Street office in New York City. Mr. Wyeth plans to spend several weeks in New York.

To Be Winthrop Partner

Robert Winthrop & Co., 20 Exchange Place, New York City, members of the New York Stock Exchange, will admit Joseph E. Cox to partnership in their firm as of April 1st, 1943.

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STANY Committees Are Announced; Dinner To Be Held April 30

The Security Traders Association of New York has announced the members of the following committees appointed for 1943:

Auditing: David R. Mitchell, Chairman; T. F. Mackessy, Oliver Kimberly.

Bowling: Thomas W. Gleason, Chairman; George V. Leone, Charles King.

Employment: Willis M. Summers, Wilbur R. Wittich.

Tax and Legislation: Fred P. Fox, Chairman; Fred W. Preller, Willis M. Summers, Frank T. Mackessy, John J. Laver.

By-Laws: Harry M. Reed, Chairman; Cyril M. Murphy, Oliver Kimberly, Frank E. Mulligan.

Publicity: Walter F. Saunders, Chairman; Graham Walker, Eliot H. Sharp, Herbert D. Seibert.

Municipal: Roger S. Phelps, Chairman; Harry J. Peiser, J. William Roos.

Arrangements: Frank A. Pavis, Chairman; C. Jerome Aal, Leslie Barbier, Joseph H. Billings, John B. Cornell, Michael J. Heaney, J. Wm. Kumm, John M. Mayer, Gustav H. Schlosser, William T. Schmidt, Norman C. Single, Joaquin Titolo, Allen Moore.

Reception: John E. Kassebaum, Chairman; T. Frank Mackessy, Benjamin Van Keegan, Arthur B. Retallick, Wilbur R. Wittich, Joseph Janareli, Henry G. Burns, Thomas S. Evans, John J. O'Kane, Jr., Harold B. Smith.

Details of the STANY Bond Committee will be announced later.

The Association announces that its Annual Dinner will be held on April 30 at the Roosevelt Hotel. The dinner this year, because of the war, will be informal.

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In April 1936, three individual trustees appointed by the Supreme Court of the State of New York took over supervision of 102 properties in New York and Bronx Counties, New York, on which the New York Title and Mortgage Co. had taken first mortgages, issuing and selling to the public guaranteed participation certificates called Series C-2.

The trustees, in the declaration of trust, hold the properties for the purpose of liquidating the assets in an orderly and businesslike manner, having due regard for the condition of the real estate market, so as not to sacrifice the interests of the certificate holders but to yield to them as large a proportion of their original investment as is reasonably possible; and, pending final liquidation, to manage and collect the income from the assets and to distribute all net income and net moneys derived from the liquidation of the Trust Estate among the certificate holders in accordance with their respective interests.

When the trustees took possession, $24,419,857.83 certificates were outstanding. As of Dec. 31, 1942, the total amount of principal unpaid on certificates in the hands of the public amounted to $22,556,897.96.

The trustees had required $554,555.11 face amount of certificates which they had taken as part payment for properties sold. Since the trustees took possession the public has received a distribution of 4½% on account of the principal, reducing each $1,000 certificate to a present face value of $955.

Interest payments based on the face value of the certificates have been made semi-annually on June 30 and Dec. 31 at 2% per annum.

We are informed that only a portion of the income distributed is taxable due to the fact that depreciation taken on properties owned may be prorated to the outstanding certificates.

As of Dec. 31, 1942, the Trust Estate held 79 separate assets diversified as follows: Mortgages in good standing in the total amount of $3,782,213, properties fee-owned having a cost to the Trust of $13,620,898.76, and one property which the Trust was operating under rent assignment in the amount of $2,650,000, in addition to an investment of approximately $2,700,000 in 150 Central Park South, Inc., owning the Hampshire House.

A claim allowed the trustees, in the amount of $11,500,000 against the guarantee of the New York Title and Mortgage Co., is expected to produce a dividend of about 10%. About 4% or approximately $460,000 will be made available for distribution shortly, the balance to follow from further liquidation of the assets of the guarantor.

Properties are kept in good rentable condition.

With the pronounced improvement in real estate conditions in New York, the possibilities for more favorable liquidation naturally follow. The certificates at present levels around 36 offer an attractive yield and appreciation as liquidations occur in an improved real estate market.

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Future For Tractions Bright Now and After War

Excellent post-war prospects for the modern urban transportation industry are seen by Scherck, Richter Co., Landreth Building, St. Louis, Mo. In an interesting letter to dealers discussing the situation, Scherck, Richter states:

"The modern urban transportation industry, while undoubtedly reaping large rewards at present from flush war-time traffic, is in our opinion far from being purely a 'war baby,' and has, we believe, excellent post-war long-term prospects.

"A study over an extended period of a number of such modern systems has convinced us that the big city transportation business in America was undergoing radical changes of an evolutionary nature when this process was interrupted by the war which resulted in an unprecedented volume of traffic and a demand for all types of public transportation facilities. The change we refer to was the conversion of the old style, heavily capitalized electric trolley system into modern high-speed gasoline bus operation. This had been going on for a number of years, and in many smaller communities conversion to gasoline buses had been completely accomplished at the outbreak of the war. In some major cities, such as St. Louis and Kansas City, this development was progressing rapidly.

"At the advent of war two things happened which halted temporarily this evolution: (1) terrific increase in general traffic which has made possible the profitable use of all available equipment; (2) the impossibility, because of war priorities, of obtaining any quantity of new buses. However, this current condition has resulted in a large increase in

(Continued on page 1012)

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y. — **Rudolph Kahrs** has joined the staff of **A. G. Becker & Co., Inc.**, 54 Pine Street, New York City.

(Special to The Financial Chronicle)

ATLANTA, GA.—**J. J. Slattery** is now with **Clement A. Evans & Co.**, First National Bank Building.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Robert G. Wade** is affiliated with **Frederick M. Swan & Co.**, 75 Federal Street.

(Special to The Financial Chronicle)

BOSTON, MASS. — **James J. Connolly** has become connected with **Trust Funds, Inc.**, 89 Broad Street.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Charles E. Fisher** has become associated with **Mason, Moran & Co.**, 135 South La Salle Street. In the past Mr. Fisher was with Francoeur & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Donald D. Grigor** is now with **Finley & Co.**, Union Commerce Building.

(Special to The Financial Chronicle)

DENVER, COLO. — **George E. Smith**, previously with R. G. Bulkley & Co. and Charles J. Rice & Co., has become connected with **Stone, Moore & Co.**, U. S. National Bank Building.

(Special to The Financial Chronicle)

HARTFORD, CONN. — **Charles W. Franckum**, for many years with Robert S. Morris & Co., has become associated with **Henry C. Robinson & Co., Inc.**, 50 Lewis Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William L. Geffeney**, formerly with O'Neil & Co., Edgerton, Riley & Walter and Bankamerica Co., is now with **Bayly Brothers**, Roosevelt Building.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — **Matfey Kardish** and **Jordan K. Bell** have become associated with **Dean Witter & Co.**, 45 Montgomery Street.

Schram, NYSE Head, Tells President Roosevelt Securities Market Is In Healthy Condition

Emil Schram, President of the New York Stock Exchange, told President Roosevelt on March 11 at a White House luncheon conference that the securities market is in a "healthy condition." "A broad and healthy market such as we have," said Mr. Schram "reflects the public's appraisal of the progress we are making toward winning the war."

Emil Schram

Mr. Schram said that he had also told the President that he was determined to keep uninformed people out of the market since "securities should be bought and sold only on the basis of judgment arrived at through careful consideration of factual information."

The text of Mr. Schram's statement issued after the conference follows:

"My visit with the President had no special significance, but it gave me an opportunity to tell him, from my close observation, of the very orderly and healthy condition of our securities market. There has been no excited speculation in the market, nor is it absorbing any amount of the nation's credit to speak of. Most of the trading is for investment account. The markets are performing a very necessary function in facilitating the flow of capital.

"A broad and healthy stock market such as we have reflects the public's appraisal of the progress we are making toward winning the war and the prospects of a sound post-war economy. The note of confidence which the market is striking and the fact that it is possible to shift capital readily are favorable developments and should contribute substantially toward the success of the Government's war-finance program. In this respect particularly it is, I think, most fortunate that we do have a free and open securities market.

"As is well known, our market today is entirely natural and does not have the elements of manipulation which were present in the 1920's. The New York Stock Exchange is constantly urging that those who would make use of its facilities avail themselves of the information which is required of listed companies with respect to their earnings and financial condition. Securities should be bought and sold only on the basis of judgment arrived at through careful consideration of factual information."

A statement by Mr. Schram urging those using the facilities of the Exchange to avail themselves of factual information available on listed companies, appeared in our March 11 issue, page 905.

H. C. Patterson Heads NASD District Comm.

Harold C. Patterson, partner of Auchincloss, Parker & Redpath, Washington, D.C., has been elected Chairman of District Committee No. 11 of the National Association of Securities Dealers, Inc. The Committee administers affairs of the area embracing the District of Columbia, Maryland, North Carolina, Virginia and West Virginia. Mr. Patterson succeeds Howard E. Demuth, Mackubin, Legg & Co., Baltimore, Md. Other members of the Committee, in addition to Mr. Demuth and Mr. Patterson, are: Robert C. Kirchofer, Kirchofer & Arnold, Inc., Raleigh, N. C.; L. Gordon Miller, Miller & Patterson, Richmond, Va.; Harry R. Piet, Jr., John D. Howard & Co., Baltimore, Md.; T. Baker Robinson, Robinson, Rohrbaugh & Lukens, Washington, D. C.

Vilas & Hickey Admit H. Gerard Moersdorf

Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock Exchange, announce the admission to partnership in their firm of H. Gerard Moersdorf who has been associated with them for twenty-one years.

Tomorrow's Markets Walter Whyte Says——

Public desire for inflation hedge curtails reactions. But dangerous market condition still exists and postponement may intensify it. Stops should

By WALTER WHYTE

Three weeks or so back I turned bearish and warned readers to put their financial accounts in order and to prepare for storms. Last week the market had a reaction. It wasn't much, the market didn't go down far and it came back on volume with enough vigor to confuse pessimists.

* * *

But on the reaction the optimists underwent a metamorphosis. They became, if not outspoken bears, then certainly cautious bulls. All the news of the day, from taxes to the war, from political maneuverings to the state of business, were trotted out as definite reasons for a market breakdown. If that wasn't enough that old chestnut about how a reaction was "overdue" was paraded for the edification of skeptics.

* * *

While all these will have an effect on prices sometime in the future, the fact remains that markets seldom follow any well-charted course set for it by an anxious or eager public. For if there is one quality markets possess it is a peculiar and aggravating one of doing exactly the opposite of what everybody agrees it should do. Still, this is not a rule.

* * *

The market, made up of so many elements, human as well as others, does not permit of the application of any hard and fast rules. For if any rule of thumb or yardstick is applicable it is that the only thing certain about the market is its uncertainty.

* * *

J. P. Morgan, in reply to an eager questioner, was once supposed to have replied, "Young man, the market will fluctuate."

* * *

It is my business to study such fluctuations and decide if they will lead to deeper valleys or higher hills. But in addition to analyzing cabalistic ticker symbols and their importance one also has to have some knowledge of mass psychology. For while everything we know may indicate lower markets if the public believes something else and buys and sells on its belief then everything you know of the market can be thrown out of the window. For the time being the will of the masses, with its eager buying and panic selling power, will prevail.

Back in the summer of 1929 every known sign pointed to a top. There was no reason to buy stocks. They were too high; everybody recognized it. Yet, because the public was up to its neck and fighting to get in over its head, the market disregarded all warnings and went higher. The excesses of the period led to the subsequent disastrous break. In both the mad upsurge and the panic crack, the public was in the saddle and what it said and did went.

* * *

Applying this to today's market is not so far-fetched as it may seem. The public is in today even though its in on a cash basis. But unlike the summer of 1929, the public is bearish. But this bearishness is still passive. It is not active. No panic selling orders that precede a selling flood have appeared. Better than average selling is of course going on but this is excused on the grounds of taxes or some other reason. So whenever a reaction does occur enough so-called bargain hunters appear to make the market snap back. How long such a condition can exist without the inevitable pay-off is a question that only the inarticulate but mass-minded public can answer. At this writing the answer doesn't seem to be more than a few days away.

* * *

Last week the market reacted from about 131 to 128. Before the week was over it snapped back to the old high. Technicians now point warning fingers to this high as a difficult zone. If these warnings take hold selling will break out. If it doesn't the immediate reaction potentialities can be taken care of with just a minor set-back, to say 128. But the longer the market stays in this position the

(Continued on page 1012)

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The various securities of Alleghany Corporation, ranging from the best situated of the Collateral Trust bonds right down through the common stock, have been attracting considerable interest in the past week or so. The bonds have all moved into new high ground, the prior preferred and preferred stocks have advanced more than 100% from the lows of earlier this year, while the common, which has been hanging around 50 cents a share, or less, for about three years, has jumped to 2. One important factor has been the publicity attending discussions looking towards possible liberalization of the Missouri Pacific reorganization plan.

Alleghany is a large holder of the junior securities of that carrier. As of the end of 1942 this commitment was made up of $11,152,000 of Missouri Pacific 5½s, 1949, 44,100 shares of preferred and 522,900 shares of common. Under the reorganization plan approved by the I. C. C. and the District Court, the stocks were eliminated as having no value and the 5½s were allocated only 2.42 shares of new common for each $1,000 face value of bonds. It is hoped that this participation will be increased materially in any revision of the plan, and it has been reported that considerable progress has been made towards working out a compromise plan. Obviously, however, the eventual success of these negotiations lies with the I. C. C. and the courts and actual liberalization can certainly not be taken for granted at this time. Speculation in Alleghany Corporation securities merely on hopes of such liberalization would certainly be ill-advised.

There is another factor in the Alleghany Corporation picture which affords much firmer grounds for a measure of optimism, and that is its large stake in Chesapeake & Ohio, represented by 1,929,779 shares of common stock at the 1942 year-end. This stock is the major income producing asset of Alleghany and the recent more constructive market attitude towards the profitable railroad operating company justifies greater confidence that Alleghany will be able to surmount its impending financial problems. The major concern as to the corporation's status in the past has centered around the problem of meeting the maturity of the 5s due next February and now outstanding in the amount of roundly $24,000,000.

The recent rise in Chesapeake & Ohio has revived the possibility, even though still remote, that the maturity problem may be eliminated automatically through conversion. The bonds are convertible into Cheasapeake & Ohio at the rate of 21 shares per $1,000 bond. Even though this happy solution may not be realized it is obvious that the higher prices for the underlying stock make refunding or extension of the bonds more feasible.

A conversion feature more attractive and calculated to make the extended bonds sell at a premium could now be offered holders without the loss to Alleghany of as much stock as was originally contemplated. This is possible because of the interim reduction, through open market purchases, of the amount of bonds outstanding, from $29,339,000 when the conversion privilege was first extended. With fears as to a financial crisis in connection with the 1944 maturity abated there is certainly adequate justification for a sanguine attitude towards at least the various bonds and the prior preferred stock.

Between 1937 and early in February, 1943, the amount of debt

(Continued on page 1012)

We recommend dealers' consideration, at this time, of all issues of

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We have prepared a brief comparison of the 1942 earnings of various railroads compared with those of

SEABOARD AIR LINE

which we would be pleased to supply on request

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Seaboard Air Line RR. Looks Good

A most interesting comparison of the 1942 earnings of various railroads compared with those of Seaboard Air Line has been prepared by L. H. Rothchild & Co., 11 Wall Street, New York City. Copies of this comparison may be had from the firm upon request.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—51⅞, low—14¾; March 17 price—50⅞.

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Bank and Insurance Stocks

This Week — Insurance Stocks

How Fire And Casualty Companies Fared Under European First War Inflation

(Continued from page 1002)

panies, he speaks of an increase in fire losses, and a large expansion in premium volume accompanied by an increase in expenses and taxes. French insurance companies carried a considerable amount of real estate; commercial properties enhanced considerably in value over the inflationary period, while residential properties did not, due to legal restrictions on rent increases. In the main, the French companies confined their investments in securities to domestic issues; in fact, from 1914 to 1918 purchase of foreign securities was prohibited, thus they were not permitted through this means to "hedge" against inflation.

Dr. Landis cites figures for one well-established French fire insurance company, without naming it, as follows:

Year	Premiums Collected	Expenses	Taxes
1913	Fr19,656,000	Fr1,135,000	Fr2,645,000
1925	67,000,000	5,500,000	15,000,000
1932	122,000,000	11,500,000	29,000,000

It will be noticed that while premiums expanded some 520%, expenses and taxes each increased over 900%. However, the remaining net after expenses and taxes increased from Fr.15,876,000 in 1913 to Fr.81,500,000, or 415%.

Dr. Landis also gives the following comparative stock indices:

Year	Fire Ins. Stocks	Casualty Ins. Stocks	General Stocks
1913	100	100	100
1926	151	279	232
1929	679	1,479	550

Germany

Germany's inflation was probably the most drastic and disastrous in history. The unit of paper money eventually became worthless and was outlawed Jan. 1, 1924, when the Renten-mark was established, and exchanged at the rate of one for one trillion old marks. A year and a half later the Renten-mark was replaced by the Reichmark, one for one.

Perhaps the most complete study of the experience of German fire insurance companies under inflation is that made a few years ago by Neville C. Seymour and published as a series in several issues of "The Eastern Underwriter" in 1936.

This study covers the operations of ten leading German fire insurance companies from 1913 to 1934 inclusive. Their balance sheets, during the worst years prior to the stabilization of the mark, showed astronomical figures. On Jan. 1, 1924, however, all corporations had to compile new balance sheets on the basis of the new Renten-mark. The following tabulation shows aggregate figures for the ten companies, adjusted to reflect equivalent gold value. It is of interest to note that by 1929, or five years after the completion of the inflationary process, total assets had recovered to an extent that they approached, on a gold basis, the pre-war totals.

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Year	Total Assets Mil. Marks	Stockholders' Equity Mil. Marks
1913	188,122	77,490
1918	192,992	66,138
1922	26,490	19,321
1924	89,023	36,034
1929	183,567	66,119

It will be noted that by 1922, which was almost at the peak of the inflation period, total assets and stockholders' equity showed in terms of gold a very great shrinkage. If these figures were expressed in terms of inflated paper marks, however, total assets would have been 13,282,088,000,000.

During the inflation years an astronomic rise in prices and values in terms of paper marks was reflected by a similarly astronomic rise in premium income, premium reserves, etc. It is also significant to note that loss ratios declined as a result of improved "moral hazard," due to a great desire to protect tangible property.

German fire insurance companies differed greatly from American companies in the matter of investments. The German companies were restricted to real estate, mortgages, Government and municipal bonds, railroad and utitlity bonds and the stocks of other insurance companies. To some extent they could invest in foreign bonds. Thus their only investment "hedge" against inflation comprised insurance stocks, real estate and foreign bonds.

German inflation was so devastating that nobody profited. Life insurance policyholders, endowed institutions, bondholders, annuity holders, and others were especially hard hit. Every business and every individual suffered in some degree from its ravages. The investor in fire insurance stocks, however, fared better as a class than many other types of investors. By 1923 a fire stock investor would have shown a 400% to 500% increase in the value of his holdings based on paper marks, but in terms of gold their value would have been only 25% of the 1913 value. By 1934, however, he would have experienced a substantial recovery, for by that time his investment, in terms of gold, would have reached about 75% of the 1913 value. This is remarkable salvage in view of an inflation so devastatingly destructive of money values.

Leading German fire insurance companies continued in business throughout the entire period; they appear to have made enormous trade profits from their underwritings in terms of paper marks — even during the most critical years of the inflation period — and to have maintained dividend payments on a rising scale.

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Our Reporter's Report

(Continued from first page)

tempts to bring both issues on the same day might prove complicated.

Despite this, however, it is indicated that bidding will be lively no matter which way the matter goes.

Erie Prospects

Now that the Interstate Commerce Commission has turned thumbs down on the Erie Railroad's request for approval of its $14,000,000 bond issue, the Street is wondering what action the road will take to finance the acquisition of an equivalent amount of its collateral trust notes from the Reconstruction Finance Corp.

Directors of the road are scheduled to meet tomorrow and presumably the ICC's action will be the major topic of the session.

Although the Commission very discreetly sidestepped the "competitive bidding," an angle raised by mid-western bankers, those hereabouts who sought to interpret its decision were disposed to question whether it would approve refunding of the note debt in any form.

Their conclusions seemed to be that the Commission's implied ruling was that the road place the cost of repurchase of the notes on a current basis, presumably in the form of bank loans.

Clearing the Air

The United States Supreme Court finally got around to handing down its long-awaited opinion on the reorganization plans of the Chicago, Milwaukee, St. Paul & Pacific RR. and that of the Western Pacific RR.

In both cases it overruled decisions by Appellate Courts which had decided that the plans be turned back to the Interstate Commerce Commission for revisions.

The effect of the high court's ruling, upholding, as it did, the Commission's plans for reducing funded debt and consequently fixed charges of the carriers involved, found vivid reflection in the securities markets.

Accepted as setting the stage for rail reorganizations generally, the ruling brought heavy selling pressure into equities and unsecured debts, while causing considerable demand for the better grade bonds of such carriers.

Post-War Refunds

Investors are finding evidence of gradual diminution of the available supply of corporate obligations these days, especially in the industrial section of the market.

The steady, though perhaps not readily noticeable shrinkage in the total amount of bonds outstanding, is traceable to that provision of the Revenue Act of 1942 which provides a tax credit to corporations using potential post-war refunds currently for the reduction of outstanding indebtedness.

In consequence of this provision, it is disclosed in annual reports now coming to hand in goodly numbers, corporations, especially in the industrial fields, are taking rather full advantage of the opportunity to cut their tax liabilities.

Continental Can Sell Debentures

Continental Can Co. has announced the private sale of an additional $14,000,000 of its 3% debentures, due in 1965, to a group of life insurance companies.

Back in December, 1940, the company disposed of the original block of the issue, $21,000,000, through the same means, to three insurance firms, receiving par for the debentures at that time.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels according to a circular issued by J. L. Schiffman & Co., 60 Broad St., New York City. Copies of the circular may be had from the firm upon request.

Hooker Electrochemical Situation Attractive

The current situation in Hooker Electrochemical Co. offers attractive possibilities, according to a memorandum issued by Hughes & Treat, 40 Wall Street, New York City. Copies of this interesting memorandum may be had from the firm upon request.

DIVIDEND NOTICES

American Woolen COMPANY
INCORPORATED
225 FOURTH AVE., NEW YORK, N.Y.

At a meeting of the Board of Directors of the American Woolen Company held today, a dividend on the Preferred Stock of $2.00 a share on account of arrears was declared, payable April 15, 1943 to stockholders of record April 1, 1943. Transfer books will not close. Checks will be mailed.

F. S. CONNETT,
Treasurer

March 17, 1943.

UNDERWOOD ELLIOTT FISHER COMPANY

The Board of Directors at a meeting held March 11, 1943, declared a dividend for the first quarter of the year 1943 of 50c a share on the Common Stock of Underwood Elliott Fisher Company, payable March 31, 1943, to stockholders of record at the close of business March 22, 1943.

Transfer books will not be closed.

C. S. DUNCAN, *Treasurer.*

The Western Union Telegraph Co.

New York, March 9, 1943.

DIVIDEND NO. 264

A dividend of 50 cents a share on the capital stock of this company has been declared, payable April 15, 1943, to stockholders of record at the close of business on March 19, 1943.

G. K. HUNTINGTON, *Treasurer.*

Florida Bonds Interesting

B. J. Van Ingen & Co., 57 William Street, New York City, have issued a folder on Florida's municipal dollar price bonds, giving price ranges and yields and other informative data. Copies of this interesting folder may be had upon request.

To Address Bond Club

Thomas I. Parkinson, President of Equitable Life Assurance Society, will be guest-speaker at the luncheon of the Bond Club of New York to be held at the Bankers Club, Wednesday, March 24, Albert H. Gordon, President of the Bond Club, announces.

REDEMPTION NOTICE

Paramount Pictures Inc.

NOTICE OF REDEMPTION
To Holders of the First Preferred Stock, and of Scrip therefor, of
PARAMOUNT PICTURES INC.

Paramount Pictures Inc., a New York corporation (hereinafter called the "Company"), hereby gives notice that in accordance with its Certificate of Incorporation, as amended, and in accordance with resolutions of its Board of Directors, the Company has elected to redeem, and hereby calls for redemption, and will redeem, on May 10, 1943, at the office of the Company's Redemption Agent, Bankers Trust Company, 16 Wall Street, New York City, N. Y. (a) all shares of the First Preferred Stock of the Company outstanding at the opening of business on May 10, 1943 at the redemption price of $100 per share plus any accrued and unpaid dividends, and (b) all scrip issued in lieu of fractions of a share of the First Preferred Stock of the Company outstanding at the opening of business on May 10, 1943 at a rate proportionate to said redemption price.

Holders of certificates representing such stock or scrip are hereby notified to surrender them to Bankers Trust Company, 16 Wall Street, New York City, N. Y. on or after the redemption date, May 10, 1943.

The stock to be redeemed will continue to be transferable on the books of the Company to and including May 9, 1943, but not thereafter; and dividends will cease to accrue upon all such stock from and after May 10, 1943. Such stock will also continue to be convertible into shares of the Common Stock of the Company in accordance with the provisions of the Certificate of Incorporation to and including April 26, 1943, but not thereafter.

Scrip, upon surrender thereof with other scrip of like tenor and class aggregating one or more full shares to Bankers Trust Company, 16 Wall Street, New York City, N. Y., will continue to be exchangeable for certificates of First Preferred Stock of the Company in accordance with the provisions of the Certificate of Incorporation to and including May 9, 1943, but not thereafter.

PARAMOUNT PICTURES INC.
By BARNEY BALABAN, *President*

Dated: March 9, 1943.

The Securities Salesman's Corner

NOW Is The Time To Advertise!

(Continued from page 1003)

thing." A customer's man with one of the big member firms told us the other day that people he hasn't heard from in years are calling him up and asking about different stocks. One fellow got him on the wire and said: "Buy me 100 Pitts Steel." The customer's man didn't know of any such stock but he didn't wish to appear too ignorant, so he said: "I didn't get the name of that stock, did you say Pitts?" The customer insisted—and finally the order was placed for Pittsburgh Steel—all the customer obviously knew about the stock was what he saw in the daily paper—the abbreviated quotation is listed as Pitts.

This is the exceptional case—it is likewise not a healthy sign—but there is something psychological and cumulative about the way the public finally becomes interested in buying securities after a long period of inactivity such as we have been through. There is nothing anyone can do to change this either—you can only ride with the wave and you are foolish to buck it.

It would also appear to us that there are more dealers today who are becoming increasingly responsive to suggestions that they can offer their clients. **Firms that specialize in wholesaling to other dealers should also get busy on their own advertising compaigns.** Well selected situations that offer a good yield and a promising future are something every retail dealer is now looking for. But before he can show an interest in your offerings YOU'VE GOT TO TELL HIM WHAT YOU HAVE that he can offer to his clients. During the past week we have made a checkup of our own regarding the attitude of a number of retail firms at this time and almost without exception practically everyone we spoke with IS LOOKING FOR ATTRACTIVE SITUATIONS TODAY.

P. S.—Although we may be accused of being slightly prejudiced, if you are desirous of reaching dealers and brokers, banking institutions, insurance companies, top flight industrialists or larger investors, this column can suggest no better medium to reach the greatest number of retail dealers than through the pages of the "Chronicle." Now is the time to go after business—it's out there waiting for you if you will only go and get it.

House Group Drops Pay-Go Tax Plan

(Continued from page 1003)

plus 10% to account for contributions to charity and other legal deductions would be applicable.

"Individuals would inform their employer of their family status and the employer would withhold the tax at the source, taking 20% of the taxable amount of the wage or salary after applying the allowed exemption.

"The withholding would be in place of the third and fourth quarterly installments on 1942 income for persons whose income tax is entirely covered by the withholding tax. It would include the Victory tax, the payroll deductions for which would end on July 1, when the 20% withholding goes into effect.

* * *

"As explained to reporters by Colin Stam, expert of the Joint Committee on Internal Revenue Taxation, the additions to the bill today were as follows:

"Instead of the incentive deductions of 4, 3, 2 and 1% agreed upon last week, the bill would provide that for this year only persons would receive a 6% reduction of any part of their tax liability due in 1944 which is paid before June 15, 4% on that portion paid before Sept. 15 and 2% on the part paid before Dec. 15.

"Payments of the obligation due next year would not be accepted, or reductions granted, until all of the current liability on 1942 income had been discharged.

"Next year reductions of 4% on any taxes due in 1945 paid before March 15, 1944, would be granted; 3% on that paid before June 15, 2% on that paid before Sept. 15 and 1% on the amount paid before Dec. 15. Again, they would not be acceptable until the full liability on 1943 income had been discharged.

"For persons on a withholding payment basis a 3% reduction would be allowed on any part of the taxes due in 1944 paid this year. Next year this reduction would be 2% and, as in the case of payments on non-salary or non-wage income, individuals could not qualify for the bonus until they had discharged all of their current liability.

"Service men and women would be exempted from all income tax retroactively to Jan. 1, 1942, to the amount of $3,500 on service pay in lieu of their regular exemptions, but a service taxpayer with a large family could take the regular exemptions if he so desired.

"Individuals receiving service pensions or retirement pay would, as under the Victory tax, be subject to the 20% withholding tax. Active duty pay is specifically exempted from the withholding provision, no matter how large.

"The abatement of the tax liabilities of persons who die in service would be effective as of the date of the bill's enactment, according to Mr. Stam."

House Republicans, who, it is understood, will hold a caucus on the bill today (March 18) recently indicated their intention to support the Ruml "skip-year" plan, for placing income tax collections on a pay-as-you-go basis, when it comes up for debate on the floor. Countering this move, House Democratic leaders decided on March 15 to fight for the Committee's bill which provides no tax abatement.

Under the plan finally agreed on by the Ways and Means group by a vote of 16 to 9 on March 10, the present system of computing and collecting income taxes would remain in force with these exceptions, according to the United Press, which on that date said:

1. Collection at the source would begin July 1 at a 20% rate on the amount above exemptions.
2. Taxes collected at the source would be applied against taxes on 1942 income to the extent that the 20% withholding covers the taxpayer's liability earned last year.
3. If collection at the source exceeds the 1942 liability, it would be credited against the taxpayer's obligations for 1943 or subsequent years.
4. New taxpayers (an estimated 4,000,000) whose entire liability has been withheld from pay checks, will be credited for taxes which wouldn't be due until March 15, 1944.
5. The same principle would apply to taxpayers who pay their 1942 taxes in full on March 15.
6. Taxpayers whose 1942 liabilities are not liquidated by the 20% withholding, and those who have income other than salaries and wages, would make extra payments in installments in September and December, 1943.

The plan would apply the same procedure for withholding in 1944, but then the withholding would start Jan. 1 instead of July 1.

The Committee is understood to have rejected on March 9 two compromise proposals calling for partial forgiveness of 1942 taxes, in order to bring about a current payment system. These were the Doughton plan applying 1941 rates and exemptions to 1942 taxes and the Robertson plan erasing completely the 1942 tax liability for those in the first surtax bracket.

On March 8 the Ways and Means group voted 15 to 9 against the proposal embodying the principles of the Ruml plan including total forgiveness of 1942 tax liability. The Committee on March 8 also rejected by a 13 to 12 vote the Disney plan calling for a withholding tax system of collection on the same tax-year basis as at present.

The Committee on March 8 voted to accept the recommendation of its sub-committee for a 20% withholding levy.

The Committee's previous action on the tax question was referred to in these columns of March 4, page 825.

Lewis Assails President's Program For Social 'Utopia'

John L. Lewis, President of the United Mine Workers, on March 16 criticized President Roosevelt's plan for an expanded social security program as "utopia" and declared that wage increases now would be more practical.

Mr. Lewis charged that the President's plan, presented to Congress on March 10 in a report of the National Resources Planning Board, was designed to "regiment the American people now in return for a promise to pay off some time in the distant and unknown future."

Mr. Lewis's attack against the social security program was in the form of an editorial prepared for the United Mine Workers Journal, according to the New York "Times." Negotiations are now in progress in New York City between the U. M. W. and Northern Bituminous Mine Owners for a new contract. Mr. Lewis has declared that 450,000 soft coal miners would strike on April 1 if their demand for a $2 a day increase is not granted.

Regarding Mr. Lewis's editorial, the New York "Times" of March 17 reported:

Charging that the publication of the President's program "was made to coincide with the presentation of the wage proposals of the United Mine Workers and an attack by the U. M. W. A. upon the uneconomic premise upon which the War Labor Board operates," the editorial declared:

"We do not believe that American working men will be lulled into inertia by this all-embracing program, allegedly designed to eliminate human want from the universe, any more than they were when another President promised the 'abolition of poverty.'

"American working men are smart enough to know that they must produce the products, goods and services upon which profits and taxes must be had and levied to pay the cost of any social Utopia regardless of the political theory or management underlying and controlling its operation.

"It is this knowledge that directs the American workers now to ask a more favorable 'divy' as along the road we go. They recognize 'that a bird in hand is worth two in the bush.'

"And right now, the United Mine Workers believe that present day equitable pay rates will best conserve their well-being and that's just what they are asking—not blueprints of a Utopia that, in the light of present pace toward world physical and financial exhaustion, may never materialize."

ABS
AMERICAN
Business Shares, Inc.

Prospectus on request

LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

They've Got What It Takes

The original objective of today's column was to comment on a fortnight's accumulation of investment company literature. To cover the material adequately would require ten times the space available here. Among the ideas presented are at last nine separate items of such sales or news merit as to warrant being featured individually and at length.

This steady and voluminous flow of arresting ideas, arrestingly presented, is a tribute to the quality of sponsorship that exists in the investment company field today. If this writer were a dealer in securities, he would specialize in investment company shares—regardless of conditions in the new capital market. And he would get on the mailing list of every investment company that would accept him. If that didn't keep him on his toes—challenge his ability as a dealer—it would be high time for him to start looking around for some of that "cradle-to-the-grave" stuff!

To mention some of the sales ideas and news items worthy of more extended treatment. . . . **Distributors Group's** new chart of interest-paying discount railroad bonds—"Portrait of an Opportunity" is its title, and the argument it makes for the Railroad Shares of Group Securities is a potent one. . . . **Keystone Corporation's** new booklet addressed to fiduciary investors, specifically to bankers, trust officers, trustees, institutions, corporations (also Keystone's record—net assets from nothing to over $50,000,000 in a little more than 10 years; up over $8,000,000 since January 1). . . . **Lord, Abbett's** new percentage ruler and bond price scale for measuing appreciation possibilities, added to the latest edition of the "Six-Point Selector" for Union Bond Funds—also Lord, Abbett's handling of the Emil Schram statement on low-priced securities; while Affiliated Fund common sells for around $3 per share, the weighted average price of Affiliated's portfolio securities is $26.95.

. . . Development of the "British Parallel" both by **Hugh W. Long & Co.** in the New York "Letter" and by **Calvin Bullock** in that sponsor's "Bulletin." In each case reference is made to the article, "Hints from the London Stock Market," recently appearing in "Barron's." If our market, beginning with 1940, is moved back to correspond with the London market, beginning with 1938, the relative action appears startingly similar—and the projection for the American market is strongly upward! . . . **National Securities & Research Corp.**'s new folder, "A Program of Velocity Securities," replete with charts emphasizing that a return to their 1937 highs by the securities in the portfolio of National Low-Priced Common Stock Series would mean a gain of 279.3% from present levels. . . . **Selected Investments'** discussion of "That Question of Cost"—showing that in the past 10½ months Selected American Shares have made up the difference between bid and asked prices more than five times. . . . **Massachusetts Distributors'** comments in "Brevits" on the recent Standard & Poor's prediction that "no more than one-third of the major advance we anticipated in 1942 has materialized."

* * *

Net assets of Wellington Fund on Feb. 27 were $8,391,000, a new high point for the Fund. This compares with $7,287,925 on Dec. 31, 1942, and $5,981,186 on Aug. 31, 1942. The management reports that during the past two months approximately one-half of the securities purchased have been "defensive or senior securities." This move reflects the judgment of the management that it is prudent to expand holdings in this category after a substantial price rise. However, looking some distance ahead,

(Continued on page 1008)

Investing Company Shares

A Class of Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS GROUP, INCORPORATED
63 WALL STREET—NEW YORK

Keystone
Custodian Funds

Certificates of Participation in Trust Funds
investing their capital as follows:
SERIES
B-1, 2, 3 and 4 IN BONDS
SERIES
K-1, 2 IN PREFERRED STOCKS
SERIES
S-1, 2, 3, 4 IN COMMON STOCKS

Prospectus may be obtained from your local investment dealer or

THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON, MASS.

INCORPORATED INVESTORS

Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
ONE COURT ST., BOSTON

DIVIDEND SHARES

Prospectus and additional data obtainable from your own investment dealer, or from
CALVIN BULLOCK
Established 1894
One Wall Street, New York

Investment Trusts

(Continued from page 1007)

the management believes that considerably higher general market prices will be enjoyed over the next year or two and is therefore maintaining a substantially invested position.

* * *

Some items of current literature. . . . A folder on Group Securities' Low-Priced Shares with 14 charts comparing the prices of various securities with their so-called value line. . . . An "offering sheet" on that company's General Bond Shares. . . . A discussion in the March 11 issue of National Securities & Research's "Investment Timing Service" on the likelihood of restrictions being placed on securities markets. . . . Investment holdings as of March 1 for New York Stocks and Manhattan Bond Fund. . . . "How You Can Buy Into an American Industry," a folder on American Business Shares. . . . A composite summary folder on Union Trusteed Funds—an eye-catcher printed on pink in "Eleanor blue," or are we color blind? . . . "Wars Always Bring Inflation" and "Bond Prices vs. Bond Values," two recent issues of Keynotes, both with charts. . . . "Review and Preview" of insurance stocks, a folder published by Hare's, Ltd. . . .

* * *

Selected American Shares recently celebrated its 10th birthday. Starting in February, 1933, with assets of $37,000, the Fund now has more than $8,000,000 of assets and more than 8,000 shareholders. Disbursements have been made to shareholders in every year of the 10 and the total of such disbursements now exceeds $5,500,000.

* * *

Scudder, Stevens & Clark Fund on March 8 had total net assets of $15,274,781 or $84.99 per share, as compared to $11,978,879 or $74.33 per share on March 3, 1942.

Dividends

Group Securities, Inc.—Payable March 31 to holders as of March 16, 1943, as follows:

	—For First Quarter—		
Class—	Regular	Extra	Total
Agricultural	.03	--	.03
Automobile	.05	.01	.06
Aviation	.01	.06	.07
Building	.03	--	.03
Chemical	.035	.015	.05
Electrical equipment	.06	--	.06
Food	.04	--	.04
Fully administered	.07	--	.07
General bond shares	.11	.01	.12
Industrial machinery	.07	--	.07
Investing company	.005	.015	.02
Low priced	.01	--	.01
Merchandising	.06	--	.06
Mining	.06	--	.06
Petroleum	.03	--	.03
Railroad	.05	.01	.06
Railroad equipment	.05	--	.05
Steel	.06	--	.06
Tobacco	.06	--	.06
Utilities	.03	--	.03

Scudder, Stevens & Clark Fund, Inc.—A dividend of 75¢ per share payable March 20 to stock of record March 9, 1943.

Program To Salvage Fiscal And Monetary Solvency

(Continued from first page)

BURTON K. WHEELER

United States Senator from Montana

I can agree with the four points which Dr. Spahr makes, namely:

1st. Give all possible aid to those who are trying to reduce and eliminate non-essential Governmental expenditures.

2nd. Fight all of those sponsors of bigger and better programs of Government expenditures, deficits and debts, as we have seen them during the last decade, and all those who argue the virtues of such policies.

Burton K. Wheeler

3rd. Fight Greenbackism and currency depreciation in all its forms.

That's fine, but how is he going to pay a three hundred billion dollar national debt? The Government will probably have to pay nine billion dollars in interest alone.

A lot of these people who were shouting about reducing the expenses of the Government were all for getting into the war, and they were for the lend-lease bill, and for every other cockeyed scheme that the internationalists proposed. It is not going to be a question of what to do, or what anybody else wants to do, when this war is over, it is going to be a question of what we are going to be forced to do to meet the huge indebtedness that has piled up. And then what is going to be the position of this country with reference to feeding and helping these various countries after the war, and policing the world.

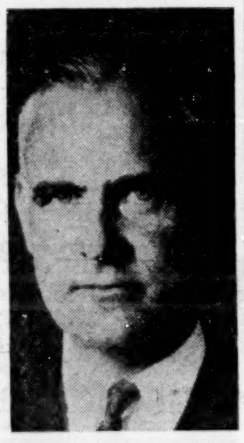
Your professor simply criticizes something that has been done, and tells what should be done, but he does not tell how it can be done.

JOHN S. COLEMAN

President, Birmingham Trust and Savings Co.

I agree with the views expressed by Dr. Spahr in the March 4 issue of the "Chronicle."

I do not believe that it will be necessary for this Government to depreciate the value of its money to pay its debts. The history of nations which have resorted to such means is a warning to us not to follow the same course. However, I fear that many will be inclined to favor monetary devaluation as the easiest way out of a difficult situation, without taking into account the very detrimental results to individuals, businesses and the Government which will necessarily follow such a program of debt paying.


John S. Coleman

A sound monetary policy is essential to a sound economy. Impaired confidence in money has an adverse effect on all the citizenry and leads to chaos.

If waste and extravagance are held to a minimum the national debt can be handled over a long period of years. If, through the present efforts, personal sacrifices and prodigious Government spending, future generations can be assured of liberty and an opportunity for achievement through ability and hard work, it is not too much to ask them to share in the burden of the financial cost of making these conditions possible.

It seems to me that the article of Dr. Spahr is most timely and that the matters disussed by him merit the serious consideration of all those interested in the welfare of this country.

V. J. ALEXANDER

President, Union Planters National Bank & Trust Co., Memphis, Tenn.

This is an excellent article and vividly portrays some of the pitfalls into which the Treasury officials and legislators may fall.

Although interest rates and Government bond prices are relatively stable at present levels for the duration, the Treasury Department has not developed any long-term policy towards debt retirement. We also agree essentially with the necessity to prevent further currency depreciation.

C. R. DEWEY

President, Grace National Bank

I have read over the article by Dr. Spahr in your issue of March 4, and have also reviewed some of the material which he has previously written on the same subject and which is contained in the various pamphlets issued by the Economists National Committee.

Dr. Spahr's position on almost all these important economic subjects is so sound and the attitude he has taken in your article is so incontrovertible that I have very little comment to make. One point on which he touches very lightly is that relating to the propaganda now being disseminated and having for its object of attack the further devaluation of the dollar. I cannot positively identify the article in the "Herald Tribune" to which he refers, but as I recall it was one of two or three which came out in various of the New York papers during a period of about two weeks and all grounded upon the idea that the Dollar-Pound relationship ought to be nearer 8 than 4 to 1. At the time I saw these comments they appeared to me to bear all of the indicia of propaganda emanating from our British cousins who would very much like to see their indebtedness to us paid off, if ever, on a thirty-cent dollar basis.

Chester R. Dewey

J. F. McRAE

President, The Merchants National Bank of Mobile

. . . The huge national debt which we will have after the war is over can and should be paid off in an orthodox manner. It may and probably will take several generations to achieve that result, but it is unthinkable to my mind that we should approach the problem with any other program, if we expect to retain our political and economic system, which has worked better on the average than any other which history records.

V. H. ROSSETTI

President, The Farmers and Merchants National Bank of Los Angeles

In the main, I am in accord with the provisions of his four-point program, but do not see eye to eye with him in his contention with respect to the issuance of $660,000,000 of Federal Reserve Bank notes. I cannot see that they can be characterized as "greenback currency" any more than the Federal Reserve Notes issued; and from the standpoint of economy, it is the first evidence of it that I have seen undertaken by our present Administration.

V. H. Rosetti

The so-called devaluation of our dollar by 41%, accomplished by the revaluation upwards of the price of gold admittedly affected only our international status, gold, as I see it, being "international money," but I cannot concur in his contentions that it had any effect on our domestic economy. If, as in our past history, we orthodoxically regarded the gold base supporting our currency and credit structures as sound, I cannot see wherein our revaluation of our gold was not justified following the revaluation by England; and support for the justification, I believe, rests in the fact that the price of gold was changed six or seven times over our history, no doubt as the result of international accord, and maintained at a fixed price of $20.67 for a period of a century and a quarter; and in the interim of the period of this fixation and the revaluation in 1934 the wealth of our country increased tremendously, and relatively the amount of debt of all classes, without an appreciable increase in the amount of gold necessary to properly support the augmented credit and currency structures. I subscribe to his contentions with respect to the several other legislative enactments, as recited by him.

In conclusion, let me say I believe that if world peace is to prevail in the post-war period and a sound international economy attained, that a universal program should be undertaken embodying the establishment of a definite and fixed gold value by international accord, the stabilization of the currencies of the respective nations of the world, and the establishment of a bank for international settlements.

DR. FELIX MUEHLNER

Niagara Share Corporation, Boston

Dr. Spahr's main concern seems to be that continued deficit financing by way of credit expansion will lead to rising prices—the inflationary spiral—making stabilization of the dollar at a higher price level necessary simultaneously with a devaluation of the currency.

We are aware of this imminent danger if present price control should fail or if the public should not respond to the appeal for voluntary savings.

As long as the war lasts, the financing of the war by credit expansion cannot be avoided, a view which Dr. Spahr shares. We don't know how long the war will last and therefore cannot estimate what the national debt will be when hostilities end.

Neither do we know what the post-war world will look like. If post-war economic conditions will permit full utilization of existing production facilities and their gradual expansion, thus allowing for full employment of the Nation's labor force, we believe that a continuous high national income will permit gradual amortization of a high national debt without the necessity to fund the debt into a permanent one.

It seems to us that next to winning the war, the most pressing problem is to devise means that the present production facilities can be employed fully after the war and thus prevent the recurrence of chronic unemployment, which in our opinion was one of the major causes of Government deficit financing during the last decade before this war.

It appears to us that fiscal and monetary solvency without a corresponding near to full production and employment of the labor force is a contradiction in itself.

We realize that the problems brought up by Dr. Spahr are not as simple as black and white and are not merely due to lack of ability of people responsible for monetary management. We noted the absence of an analysis of the conditions which have led to Government deficit financing approved by Congress in the last ten years.

B. D. HARRIS

President, The Second National Bank of Houston

I am entirely and emphatically in accord with the views expressed by Dr. Walter H. Spahr in your issue of the 4th instant.

I do not consider it fundamental in our economy to plan a too rapid reduction in the public debt at the close of the war, and in all events it should be gradually reduced without any devaluation of the dollar. We should plan for the utmost production of everything necessary to human needs at the lowest cost to humanity, and for world-wide free trade as far as possible, unburdened by the shackles and deterrents of tariff barriers. We have got to get adjusted to a lower scale of living while repairing the ravages of war; more economy, more alertness, more resourcefulness of the cardinal virtues of our forefathers, less luxury, less soft living, less self-indulgence.

Beverly D. Harris

I do not know how or when the war will end, but I feel the world will emerge from it mentally and spiritually and physically revivified, as is the case following all great wars, with an immense stimulation in human achievements. This country will emerge incomparably in a position of leadership above any other country.

The main objective, it seems to me, should not be so much immediately or rapidly retiring the public debt as reversing public policies of waste and extravagance and arriving at a point where there will be a constant reduction in a systematic manner rather than an increase. Under these conditions of national and state economy, I think we may look at the debt realistically, no matter what it amounts to, as the price we had to pay in the supreme issue of all time, and which, with our productive energy and capacity, we are able to carry if we have confidence in ourselves. Railroads, banks, industrial concerns, municipalities, go on under sane and permanent plans that in the mass do not contemplate ever getting out of debt. So why couldn't the U. S. Government stagger along with a very much increased war debt with an indefinite time of retiring it consistent with good management and the great resources of the country? For part of it we might consider something on the order of the British Consols.

Edward J. Engel

E. J. ENGEL
President, The Atchison, Topeka & Santa Fe Railway System

I have read with great interest Dr. Spahr's article. I do agree with him. His statement seems altogether sound, and I hope our Government may follow its essential outlines.

GEORGE H. GREENWOOD
President, The Pacific National Bank of Seattle

I have read Dr. Spahr's article with much interest. I do not see how any intelligent person can view the prospect of further devaluation of the dollar without fear and apprehension, and yet present-day tendencies certainly point in that direction.

For the last ten years we have been under the control of amateur economists. The few men of experience and intelligence who started out in Washington in 1933 have been dropped and we have apparently been searching for short-cuts to prosperity and painless methods of paying debts. Any well-informed business man knows that both are impossible to find. Since it is certain we will be saddled with a tremendous indebtedness when the war is over, we should, as Dr. Spahr suggests, be thinking about the best methods of servicing it, and we should put out of our minds any approach of dishonesty in considering it.

A permanent national debt is probably what we must look forward to. Certainly it will not be paid in the next two or three generations. If it can be put on a proper interest basis and handled honestly it would probably not be too burdensome. Any alternative that involves devaluation, the issuance of greenbacks, either directly or by indirectness, or the continuance of extravagance in public office should be repudiated.

J. W. SPEAS
Vice President and Trust Officer, First National Bank of Atlanta

We read with very much interest the article by Dr. Walter H. Spahr, Professor of Economics at New York University, and it seems to us that the plan which he has outlined to hold the public debt in control is sound. The difficulty, of course, is in carrying out such a program, but we are confident that articles such as this one will have their effect in molding public sentiment along conservative lines.

J. W. Speas

E. O. HOWARD
President, Walker Bank & Trust Company, Salt Lake City, Utah

I have read the article with a good deal of interest and I can say in a general way that I agree with all of the four-point program outlined by Dr. Spahr. The problem of handling our post-war debt, of course, first will depend on its size, and that naturally will be determined principally by the length of the war. A 200- or 250-billion-dollar debt seems entirely likely to be accumulated in a very short time. The problem of servicing this debt is a pressing one, and I believe that our monetary authorities will make every effort to keep interest rates low for a long period of time as any slight increase in rates will obviously materially increase the interest costs on this debt.

Frankly, the figures now involved are so large that it is difficult to see how they can be paid off through taxation. In fact, I once heard Dr. Kemmerer of Princeton University state in a lecture that there were only five men in the United States who fully understood the intricacies of high Government financing. I think perhaps that Dr. Spahr's fourth point, that of looking on our national debt as a perpetual mortgage, is pretty near to the actual facts of the case. I do recall that all central governments in the past, when they reached a dilemma where they were unable to increase taxes, resorted to some revaluation scheme which merely "clipped" the value of their monetary unit; and as politically this is the most expedient course to follow, I am often fearful that some sort of program as advocated by Senator Elmer Thomas of Oklahoma may be adopted here.

It is inconceivable to me that any kind of currency manipulation can be employed without having a very adverse effect on the purchasing power of our dollar and our standard of living. It will require a strong and courageous Congress to institute a program of debt retirement through heavy taxation in the post-war period, but I sincerely hope that such a course will be followed, as any other action will be highly detrimental to our people.

ROBERT G. MERRICK
President, The Equitable Trust Co., Baltimore, Md.

I have never worried about the debt being paid off in dollars. It is a question as to what the dollar will be worth in terms of purchasing power when this is done.

Dear Mr. Wealthy

When your estate passes along to your heirs, will the heart of it be wiped out NEEDLESSLY, by taxation?

Inheritance and Estate taxes, you know, must be paid in full and in cash.

Earmarking part of your present holdings for tax purposes might possibly help to meet the problem.

But there is a better solution—a safer and more effective way.

Working jointly with you and your own tax attorney, a Massachusetts Mutual Life representative can render valuable assistance. Call our nearest office now while it is fresh on your mind.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Organized 1851
SPRINGFIELD, MASSACHUSETTS
Bertrand J. Perry, President

We offer, subject:

$250,000

Dominion of Canada Gtd.

Issued by Can. Nat. Rwys.

4½% Bonds due 1 July 1957

Price to yield 3.35%

Wood, Gundy & Co.

Incorporated

14 Wall Street, New York

Bell System Teletype NY 1-920

CANADIAN SECURITIES

By BRUCE WILLIAMS

Corporation profits in Canada showed mixed trends in 1942. Higher taxes hit those companies hardest which, because of the nature of their business or the impact of the war on their operations, were unable to achieve large gains in volume. On the other hand, companies which benefited materially from the war effort or from subsidiary demands arising out of it were, in quite a number of instances, able to offset the boost in taxes and report higher net income for the year.

An examination of the reports of 39 Canadian corporations for 1942—a mixed group of industrials, utilities and finance companies—reveals that nineteen bettered their 1941 results. Eighteen companies failed to earn as much in 1942 as in the previous year, while the earnings of two companies were unchanged. Taking the group as a whole, this record is pretty much of a stand-off. However, a study of the list, company by company, will bring to light the general trends which prevailed in individual industry groups.

EARNINGS OF CANADIAN CORPORATIONS

INDUSTRIALS AND UTILITIES

	Earned Per Common Share 1942	1941
Acme Glove	$1.39	$0.88
Bathurst Power	1.87	2.17
B. C. Telephone	8.82	8 94
Building Products	0.88	0.98
Burlington Steel	1.14	1.08
Canada Northern Power	0.79	0.61
Canada Wire B	5.21	4.93
Cosmos Imperial	2.07	2.30
Crown Cork & Seal	2.27	3.02
De Havilland	1.20	2.78
Detroit Bridge	0.51	0.72
Donnacona Paper	0.28	0.28
Dunlop Tire (Pref.)	5.13	5.60
General Steel Wares	0.82	0.70
Gypsum, Lime & Alab	0.54	0.53
Hamilton Cotton	5.40	4.97
Hinde & Dauch	1.65	1.66
Hunt's, Ltd.	0.78	0.004
Imperial Tobacco	0.56	0.58
Melchers	0.09	nil
Mitchell & Co. (J. S.)	4.80	4.19
Robert Mitchell	4.76	5.31
Monarch Knitting	5.80	1.55
Montreal Cottons	9.24	13.49
Moore Corp.	3.01	3.75
Mount Royal Hotel	0.62	0.62
National Biscuit	1.26	1.43
Page-Hersey	5.41	5.26
Pressed Metals	0.15	1.04
Saguenay Electric	2.03	1.28
Saguenay Power	5.46	4.74
Simpsons, Ltd. A	2.58	2.46
Standard Clay	3.27	3.94
Stedman Brothers	3.34	3.17
Thayers Ltd. (Pref.)	2.21	3.97
Woods Manufacturing	3.12	0.46
FINANCIAL		
Administration & Trusts	$2.08	$2.10
Chartered Trust	5.87	5.25
Maritime Trust	3.46%	2.59%

* * *

With England's Beveridge Plan and our own Administration's post-war plan for expanded social security — both embodying the principle of over-all state insurance for the individual—it must be heartening to those who hate "totalitarianism" in all its forms to review the growth of life insurance in Canada. When the showdown comes between the new "liberals" who would end fascism by embracing its fundamentals and those who prefer to continue in the traditions of democratic liberty, the holders of life insurance policies may exert a potent voice in the cause of freedom.

LIFE INSURANCE IN FORCE IN CANADA

	Total Amount	Per Capita
1901	$463,769,034	$86
1911	950,220,771	131
1921	2,934,843,848	333
1931	6,622,267,793	638
1941	7,348,553,667	643
1942	7,872,891,155	688

California Business Up

California business activity during January increased for the ninth consecutive month, according to the current "Business Outlook" issued by the Wells Fargo Bank & Union Trust Co., San Francisco. The bank's index reached a preliminary January level of 236.8% of the 1935-39 average, which compares with a revised December level of 228.9 and with 196.3 in January, 1942. The review further said:

"Department store dollar-volume in California during January increased 12% over January, 1942; with inventories on Jan. 1 but 3% higher in value than on the same 1942 date. December sales of 3,032 representative independent retailers in the State were up 17% over December, 1941; and entire 1942 sales increased 7% over 1941.

"Bank debits at the 16 California clearing house cities for January increased 22% in amount over January, 1942.

"Building permits issued at 113 California cities in January (totaling $11,802,476) were 46% less than those of January, 1942."

Sees Private Capital, Not State, Providing For Post-War Economy

The fear that the State will provide all of the capital for the post-war development of scientific and industrial products and processes speeded by war pressures seems unjustified, according to the March issue of "Perspective," issued today by the investment management department of Calvin Bullock, 1 Wall Street, New York City.

The publication, which discusses the startling changes in our post-war economy traceable to the adaptation of electronics, plastics, fuels, synthetic rubber, preventive medicine and other scientific marvels virtually unknown a few years ago, concludes that "future economic progress is not a choice between capitalism and some other ism," but resolves into a "choice between who shall provide the capital—private individuals or the State. There has been much fear that the trend in recent years has been toward the latter.

"Had American industry failed in the work that it was called upon to do in the prosecution of the war, this fear might have become a reality. True it is that the Government has invested huge sums for the building of new plants, but industry also has spent its funds to increase facilities that could be considered to be economically productive in the post-war period. Moreover, many of the Government-owned plants are under option to private concerns and these may be used in place of older plants which are or may soon be on the verge of obsolescence.

"A broad vision and the will to exploit new discoveries to the fullest extent can contribute not only to the individual and collective wellbeing of the nation but to the economic wellbeing as a corollary. History shows that great upheavals and industrial revolutions such as may well come about after the war inevitably cause some casualties. Those who keep abreast of the march of events go on to greater prosperity; those who do not fall by the wayside. It is during such periods that new industries are born and the coming era, according to all indications, will be no exception. Not only will the post-war period bring about many infant industries but many venerable businesses will enter a period of industrial second childhood."

Copies of "Perspective" may be had from Calvin Bullock upon request.

Amos Poole Back At Desk

Amos R. Poole, a partner in the firm of Gillen & Co., 120 Broadway, New York City, who has been on leave of absence to serve with the War Production Board in Washington, will resume active participation in the firm, effective today.

Municipal News & Notes

The Common Council of Buffalo, N. Y., has under consideration two recommendations for large-scale debt refunding of outstanding obligations designed to stabilize the tax rate during the next several years. The proposals, it was said, were made on behalf of two syndicates, headed by the Chase National Bank of New York and Lehman Bros., New York, respectively. The offers were transmitted to the Council by Budget Director Edward A. Neider. Extent of the refunding is left to the discretion of the Council, with a variety of alternate programs suggested.

The current offers differ from the refunding plan proposed to the city last year in that they do not call for payment by the city of any handling charges in connection with a refinancing.

Associated with the Chase National Bank in the current offer are the Manufacturers & Traders Trust Co. and the Marine Trust Co., both of Buffalo. The Lehman Bros. group includes Schoellkopf, Hutton & Pomeroy, Inc., of Buffalo.

City's Assessed Values Higher

Buffalo's total assessed valuation for the 1943-1944 fiscal year is $913,733,100, or $3,864,970 more than the current valuation, it has been announced by Chairman John R. Plunkett of the Board of Assessors.

The increase marks continuation of a trend which began with the current year's valuations, which halted a series of annual decreases that began in 1932-1933, when almost $100,000,000 was sliced from the previous year's record high total valuation of approximately $1,080,072,000. The downward trend in the city's valuations, which began in the depression year '30s, incidentally, was typical of the experience of local governments. Similarly, most of the taxing units have succeeded in making substantial gains in valuations in the past several years.

The 1943-1944 total valuations for Buffalo consists of $874,356,840 in taxable real estate and $39,376,260 in utility special franchise values, an increase of $521,740 in the former and $3,343,230 in the latter over current totals.

Phoenix, Ariz., Approves Debt Refunding Program

The City Commission is reported to have unanimously approved at a recent meeting a proposal made by Boettcher & Co., and Peters, Writer & Christensen, Inc., both of Denver, to refund $7,000,000 of outstanding city bonds. The refunding plan was apparently advanced on the assumption that the Arizona Supreme Court decision in the Maricopa County case permits Phoenix to refund its bonds at lower interest cost, despite the fact that most of the outstanding issues have always been considered non-callable.

This was likewise true in the case of the Maricopa County high interest bearing road obligations which were recently refinanced. The Arizona high court, however, upheld the county's contention that the statute pursuant to which the bonds were issued permitted the county to refinance them provided this could be effected on a lower interest rate basis. Accordingly, the county called upon the State Loan Commissioners to refund on its behalf $4,100,000 road bonds and, at the resultant offering on Feb. 1 last, only one bid was submitted, which was subsequenty accepted.

The Supreme Court decision came as a complete surprise to municipal bond dealers and investors as the bonds in question were sold by the county without a specific callable clause and, naturally, had always been accepted and considered as being non-callable. The State Loan Commissioners advised the County Commissioners in a letter dated February 10 last that it would not "execute or deliver said refunding bonds" pending outcome of a test suit previously filed in the State courts in connection with the refinancing.

The Supreme Court ruling in the Maricopa County case, moreover, was viewed as being so broad in implication as to apply in equal force in the case of any bonds issued since 1913 by counties, municipalities and school districts throughout the State. This was emphasized by Messrs. Gust, Rosenfeld, Divelbess, Robinette & Coolidge of Phoenix, who furnished the legal opinion on the $339,000 Phoenix, Ariz., refunding bonds sold on Dec. 22 last year.

Responding to an inquiry made by Refsnes, Ely, Beck & Co., Phoenix, concerning the Phoenix offering, the law firm stated that "the existing opinion of the (Arizona) Supreme Court (in the Maricopa County case) is so broad in its implication that our opinion on the (Phoenix) refunding bonds as well as other municipal and school district bonds that may be issued prior to a further declaration by the Supreme Court on the question must necessarily refer to said decision and the possibility that said bonds will be subject to call at any time."

The attorneys declared that this course would be followed with respect to the offering then being made by the city, despite the fact that the refunding bonds in question were being issued under a different statute than that involved in the Maricopa County decision.

Texas Banking Group To Combat Pre-Payment Moves

In a memorandum prepared by its Municipal Securities Committee, the Texas Group of the Investment Bankers Association of America announces that the Committee, in conjunction with certain Texas municipal bond attorneys, expect to employ every available means to combat any attempts by Texas counties to call bonds for payment in advance of maturity date under the provisions of a 1911 statute which was subsequently amended in 1925 with respect to the right of option redemption.

The memorandum makes specific reference to the current notice by Cochran County, Texas, of its intention to redeem 6% courthouse bonds maturing in 1954 and 1964, and to refunding contracts entered into by the county with B. V. Christie & Co. of Houston. Accompanying the memorandum is a list of issues of various counties which may be included in current efforts to take advantage of what is referred to as a questionable callable feature, together with legal opinions of State Attorney-General W. P. Dumas, and John D. McCall of Dallas.

Coral Gables Financial Analysis Issued

Allen & Co., New York, have just issued a comprehensive financial statement on the City of Coral Gables, Florida, and advise that copies can be had upon request. The report shows in detail all the relevant data pertaining to the city's finances and economic structure, including comparative figures on tax collections and a description of outstanding indebtedness. The city's refunding bonds of 1937, maturing July 1, 1977, bear 3% interest to July 1, 1945; 3½% thereafter to July 1, 1947; then 4% to July 1, 1952; 4½% to July 1, 1962, and a 5% from foregoing date to maturity.

Connecticut Unable To Find Sellers Of Its Bonds

The State of Connecticut is meeting with little success in its efforts to induce holders of its bonds to sell them back to the State, it was recently stated by State Treasurer Carl M. Sharpe, in announcing that he had written to the Finance Committee of the legislature suggesting a law permitting him to establish a sinking fund. The State bond retirement fund now totals $8,277,966 and will continue to grow, the Treasurer wrote.

Mr. Sharpe stated that most of the bonds are held by trust funds and related that one bank offered to sell some of its holdings to the State only if the State, in turn, would sell to the institution some of the local municipals which it has in other trust funds.

Under Mr. Sharpe's sinking fund plan, the Treasurer, with the approval of the Bond Investment Committee and the Governor, would invest present bond retirement funds in Government securities or other securities which are legal investments for the State's savings banks. The fund would thus yield a return to the State, with such income to be added to the resources for debt retirement. The outstanding bonds mature $1,250,000 annually, the last block being due in 1958.

Major Sales Scheduled

In the following we list the issues of $500,000 or more which, at this writing, make up the calendar of further sales. We do not include note offerings as these, generally speaking, are usually acquired by institutions for their own account.

March 23

$550,000 Calhoun County, Iowa.

March 25

$600,000 Buena Vista County, Iowa.

$500,000 Cherokee County, Iowa.

$540,000 Mobile, Ala.

At previous bond sale the successful bidder was a syndicate headed by Blyth & Co., Inc., New York.

March 26

$1,400,000 Greenville, S. C.

Previous award made to E. H. Pringle & Co., Charleston, and next second high bid made by R. S. Dickson & Co., Charlotte, and Harris Trust & Savings Bank, Chicago, account.

April 6

$800,000 Central Peoples' Utility District, Lincoln County, Ore.

On this, our 75th Birthday

BUSINESS REPORT FOR 1942

(In accordance with the Annual Statement as of December 31, 1942, filed with the various State Insurance Departments in the United States.)

OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

Policy Reserves Required by Law . . . . This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	$5,188,714,637.87
Reserved for Future Payments Under Supplementary Contracts . . . . Policy proceeds from death claims, matured endowments and other payments left with the Company.	189,169,000.07
Dividends Left with the Company	30,301,837.94
Policy Claims Currently Outstanding	30,307,563.89
Other Policy Obligations	18,993,606.98
Taxes Due or Accrued	17,542,243.00
Miscellaneous Liabilities	18,083,549.37
Reserve for Mortgage Loans . . . . To provide against possible depreciation in value of such loans.	17,000,000.00
Reserved for Dividends to Policyholders . . . . Set aside for payment in 1943 to those policyholders eligible to receive them.	102,733,947.00
TOTAL OBLIGATIONS	$5,612,846,386.12

ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

National Government Securities . . . . U. S. Government, $1,640,023,863.53; Canadian Government, $132,810,424.99.	$1,772,834,288.52
Other Bonds . . . . U. S. State and Municipal, $86,482,597.79; Canadian Provincial and Municipal, $92,268,974.32; Railroad, $527,015,597.35; Public Utilities, $818,347,-218.79; Industrial and Miscellaneous, $510,191,-509.68.	2,034,305,897.93
Stocks . . . . All but $320,750.00 are Preferred or Guaranteed.	81,805,186.00
First Mortgage Loans on Real Estate . . . . . . Farms, $89,380,287.45; Other Property, $863,051,-414.58.	952,431,702.03
Loans on Policies	453,940,104.42
Real Estate Owned . . . . Includes $124,250,661.21 Housing Projects and real estate for Company use, and $71,670,999.49 real estate under contract of sale.	383,026,409.36
Cash	158,765,194.49
Premiums, Deferred and in Course of Collection, net	95,913,691.33
Interest and Rents Due and Accrued, etc.	61,893,102.50
TOTAL ASSETS TO MEET OBLIGATIONS .	$5,994,915,576.58

SURPLUS FUNDS $382,069,190.46

The Company holds total assets which exceed the total of its obligations by $382,069,190.46, for the purpose of giving added assurance that all benefits to policyholders and beneficiaries will be paid in full as they fall due. This amount is composed of

Special Surplus Funds . . $12,300,000.00 **Unassigned Funds (Surplus) . . $369,769,190.46**

and serves as a margin of safety against possible unfavorable experience, whether due to war or other conditions.

NOTE:—Assets carried at $271,804,055.40 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on the basis of par of exchange.

In the Annual Statement filed with the Massachusetts Insurance Department, Policy Reserves required by Law are $5,188,802,875.87, and Miscellaneous Liabilities are $17,995,311.37.

HIGHLIGHTS OF 1942 OPERATIONS

Life Insurance in Force, End of 1942	$26,867,676,154.00
Paid-for Life Insurance Issued During 1942	2,051,013,903.00
Amount Paid to Policyholders During 1942	533,624,637.04

IN THE 75 YEARS since Metropolitan was founded on March 24, 1868, we have seen America face crises of many kinds, and from each crisis emerge stronger than ever. We confidently believe that America will do just that again—the best years of our history lie before us.

We are determined to do everything in our power to help make that future bright . . . to make sure that the promises in each life insurance policy are fulfilled . . . and to do our utmost to keep wisely invested the six billion dollars which we hold for the benefit of our thirty million policyholders.

Our report on *how* we are striving to do these things assumes a greater importance than ever before, coming as it does in the midst of America's struggle for existence.

Your Metropolitan life insurance dollars are helping to safeguard American lives and liberties. At the end of 1942, Metropolitan had a total of more than $1,640,000,000 invested in United States Government Bonds. In addition, nearly $133,000,000 was invested in Canadian Government Bonds. These dollars are helping to buy the materials needed for victory.

On the production front, your life insurance dollars are helping to finance the industries that are pouring out the sinews of war.

In fulfilling its obligations to its policyholders during 1942, Metropolitan paid or credited to policyholders and their beneficiaries more than $533,000,000.00.

Metropolitan is a mutual company. Its assets are held for the benefit of its policyholders and their beneficiaries.

75th ANNIVERSARY 1868-1943

Metropolitan Life Insurance Company

(*A MUTUAL COMPANY*)

Frederick H. Ecker, CHAIRMAN OF THE BOARD *Leroy A. Lincoln*, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.

Future For Tractions Bright Now & After War

(Continued from page 1004)

the earning power of these companies, and seems to provide an unparalleled opportunity for such companies to radically reduce their senior debt and build up a substantial equity for stockholders. Furthermore, we believe that after the war modern buses will be available in large quantities at attractive prices, which will enable these companies to speed up materially the process of conversion into gasoline bus operation.

"We are convinced that a well-managed public transportation system, composed chiefly of gasoline buses, can be operated very profitably in normal times. The tremendous property accounts, and heavy maintenance and depreciation costs of the cumbersome old electric trolley systems would be radically reduced, and the business really becomes a different industry, far more flexible to meet the changes in demand for service under varying business conditions.

"Another thought which has been freely, and we believe mistakenly put forth, has been to class such transportation companies with the steam railroads of the country as both being war babies. This overlooks the fact that the major revenue and real profit of the railroads is derived from freight, the volume of which varies terrifically between periods of business prosperity and depression as compared with the 100% passenger traffic of the urban transportation company, which varies somewhat but not nearly to the same degree.

"To summarize, would say that we believe that a well-run modern transportation company will benefit immensely from present large earnings to reduce debt, put their house in order, and prepare for continued conversion to gasoline bus operation after the war, and can then be run profitably under normal conditions. For this reason we are very favorably disposed towards securities of such companies that can bear analysis and are still available at very substantial discounts in the market."

Now, Cayne, Ralston & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—The firm name of M. A. Cayne & Co., Fidelity Building, members of the Cleveland Stock Exchange, has been changed to Cayne, Ralston & Co.

Ambrose R. Clark Predicts Stock Averages Will Top 1929

Ambrose R. Clark, head of the Ambrose R. Clark Co., 71 Broadway, this city, communicates this interesting comment to us regarding the financial outlook:

"Terrific decline in the dollar is just around the corner, every dollar should be invested in solvent basic equities for protection. The New Deal will make suckers out of labor and stocks will sell higher, much higher, than in 1929 before it is all over. Our analysis of September 1st last year was just about 100% correct, also our special wire letter of February 12th, but no volume or velocity as yet.

"I am very much afraid that there will be millions of investors as ALSO RANS left on the side lines watching the parade go by for lack of confidence to act intelligently now. We will never again see such bargains and investment opportunities in this country, the next chance will be well after 1950s."

UP-TOWN AFTER THREE

By BILL SMITH

AROUND NEW YORK TOWN

Back in the Roaring '20s the Big Town was full of those mysterious little places where you knocked on doors and told the sinister man whose nose appeared in the crack, ". . . Joe sent me." Once inside, you received a card that made you a full member of the Whatsis Social and Driving Club. This permitted you to come back again (if the gendarmes didn't get there first) and sample the lilting potions which you were assured were right off the boat. These were the places you used to take the light of your life to and meet other gay blades, all with the common purpose of discussing Affairs of State, love life (your own and your neighbor's), not to mention imbibing freely if not wisely of liquids you were sure came from abroad though you sometimes suspected the bathtub and backroom had something to do with their preparation. Of all the places in New York the section known as Greenwich Village drew the heaviest patronage from the social set we traveled in in those days. But all that remains of those countless Tony's and Joe's are just memories. The Village, outwardly, is still the same. It still has the narrow, crooked streets but the Social Clubs have been replaced by Night Clubs. Among the grandest is the **Greenwich Village Inn (5 Sheridan Sq.)**, as sumptuous a place as you ever hoisted a couple of quick ones in. Built on two levels, the first leading to a dimly lit bar, the second up a few steps in the main room, the Greenwich Village Inn is a far cry from the checkered tablecloth places of our carefree youth. Patronage here is not the yelling, talkative youngsters which made up our generation. It comes mostly from out-of-town businessmen having themselves a fling. The food is good, surprisingly so but not inexpensive. One reason is the show. An elaborate affair with a line of girls and a couple of name stars. The girls, while not Rockettes, are attractive. The current stars are the rotund Romo Vincent and the undecided blonde, Terry Lawlor. Vincent is a comedian with a delicious sense of humor and a flair for satire and mimicry that keeps his audiences screaming with laughter. Miss Lawlor sings popular tunes acceptably if not outstandingly. There are two bands, one relieving the other. So if you want exercise, and the doctor told you dancing is exercise, you might have yourself a time here at the Greenwich Village Inn. . . . **A Pan American Airways** representative at a foreign port received a letter recently cancelling a reservation. "I am returning herewith," the letter explained, "the seat you so kindly held for me." Attached to this letter was a form note from the censor. "The item mentioned herein as an enclosure," the censor wrote, "was not present when this communication was opened for inspection by the censors."

BARNSDALL OIL COMPANY

and Subsidiary Companies

Consolidated Balance Sheet—December 31, 1942

ASSETS

Current Assets:		
Cash	$1,253,485.63	
U. S. Government Securities, at Cost	219,500.00	
U. S. Treasury Tax Notes, at Cost	305,000.00	
Accounts Receivable	1,304,076.02	
Inventories of Crude Oil, at Market	1,210,023.22	
Inventories of Oil Products, at Market	147,645.24	
Inventories of Supplies, etc., at lesser of Cost or Market	859,411.00	
Total Current Assets		$5,299,141.11
Investments in Stocks, Bonds and Mortgages of Other Companies, at Cost or Adjusted Values:		
Bareco Oil Company, Common Stock	$42,433.75	
Other Investments	145,461.08	
		187,894.83
Barnsdall Oil Company Stock Held by Subsidiary Not Wholly Owned, 9,800 Shares at Par		49,000.00
Fixed Assets:		
Plant and Equipment, at Cost	$36,788,477.05	
Less: Reserve for Depreciation	22,649,174.43	
	$14,139,302.62	
Oil and Gas Leaseholds, Developed and Undeveloped	1.00	
		14,139,303.62
Deferred Charges to Operations:		
Prepaid Expenses, Advances, etc.		149,623.81
Total Assets		$19,824,963.37

LIABILITIES, CAPITAL STOCK AND SURPLUS

Current Liabilities:		
Accounts Payable	$816,583.48	
Accrued Expenses	55,056.57	
Accrued Taxes, State and Federal	674,744.67	
Total Current Liabilities		$1,546,384.72
Capital Stock and Surplus of Subsidiary Company Not Owned by Barnsdall Oil Company:		
Capital Stock	$40,053.00	
Surplus	10,818.41	
		50,871.41
Capital Stock (Par Value $5.00 per Share):		
Authorized 4,000,000 Sh.		
Issued 2,258,779 Sh.		
Held in Treasury Dec. 31, 1942 35,200 Sh.		
Held in Treasury Dec. 31, 1941 26,900 Sh.		
Outstanding Dec. 31, 1942 2,223,579 Sh.		11,117,895.00
Outstanding Dec. 31, 1941 2,231,879 Sh.		
Surplus:		
Capital Surplus	$1,958,872.46	
Earned Surplus, since Dec. 31, 1940	5,150,939.78	
		7,109,812.24
Total Liabilities, Capital Stock and Surplus		$19,824,963.37

Consolidated Statement of Income and Earned Surplus

For the Year Ended December 31, 1942

Gross Operating Income		$11,125,966.66
Operating Charges:		
Costs, Operating and General Expense	$4,421,962.47	
Taxes, General	683,939.49	
		5,105,901.96
Net Operating Income		$6,020,064.70
Non-Operating Income:		
Dividends and Interest		89,966.44
Income Before Deductions		$6,110,031.14
Deduct:		
Interest		85,103.79
Profit before Other Deductions		$6,024,927.35
Other Deductions:		
Depreciation	$1,264,836.27	
Lease Purchases	593,001.60	
Intangible Development Costs	1,092,560.12	
Profit Applicable to Minority	1,830.38	
		2,952,228.37
Net Profit from Ordinary Operations		$3,072,698.98
Total Profit before Federal Income Tax		$3,072,698.98
Provision for Federal Income Taxes		270,853.15
Net Profit Accrued to Company		$2,801,845.83
Earned Surplus at Beginning of Year		3,681,232.48
		$6,483,078.31
Less: Dividends Paid	$1,336,157.40	
Portion of Dividends paid to subsidiary company	4,018.87	
		1,332,138.53
Earned Surplus since December 31, 1940		$5,150,939.78

Capital Surplus

Capital Surplus, December 31, 1941		$1,976,719.24
Add:		
Realization of Assets previously charged to Capital Surplus		31,132.44
		$2,007,851.68
Deduct:		
Excess of cost over par of Treasury Stock acquired during year	$29,097.50	
Barnsdall Oil Company portion of excess cost over par of Barnsdall Oil Company stock purchased by a subsidiary company not wholly owned	18,493.83	
Barnsdall Oil Company portion of excess cost over par to a subsidiary company not wholly owned of its own stock purchased	1.387.89	48,979.22
Capital Surplus, December 31, 1942		$1,958,872.46

Railroad Securities

(Continued from page 1005)

outstanding had been reduced $13,041,000 to $64,852,000. Annual interest charges, including contingent requirements on the 5s, 1950, absorb only $3,242,600. Normal expenses and taxes should be held to about $400,000. It takes a dividend of only about $1.90 a share on the Chesapeake & Ohio stock to cover the interest, expenses and taxes. In only one year of the depression, 1938, did Chesapeake & Ohio's dividend fall to $2.00 a share and its poorest earnings record, realized in the same year, was $2.62 a share.

At the present regular dividend rate of $3.00 Alleghany's income from this source is $5,789,337 and in each of the past two years this has been augmented by $964,889 through a $0.50 extra dividend. Thus the company has adequate excess funds to continue on its debt retirement program and it seems possible that the total bonds outstanding may be reduced to around $62,000,000 by the end of 1943, with a further interest saving of $142,600. The prior preferred stock is not in line for dividends at the present time due to restrictive bond indenture provisions, but it has a large potential equity in such excess income. Once appraised value of collateral behind the bonds rises above 150% of the face amount of bonds outstanding the stock would be a position to participate directly in the income.

There are only 110,730 shares of the stock outstanding entitled to cumulative dividends at the rate of $2.50 a share. Accumulations as of April 1, 1943 will amount to $21.25 a share. The entire accumulation involves only $2,353,012 which is less than the excess of one year's income (based on Chesapeake & Ohio's 1941 and 1942 dividends) over annual charges and expenses. Despite its rapid rise the stock still has considerable speculative appeal. Although further from prospective income return, the regular preferred stocks (5½% cumulative, $100 par) also have definite prospects for substantial values over the longer term, particularly as Chesapeake & Ohio itself has far better-than-average post-war earnings prospects.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1005)

greater the break when it comes. The public is never known for its patience. Once let it believe that its stocks are going down to the point that not only profits disappear but losses occur then the selling drive will take on momentum that may not be easy to stop. News, sudden, startling news, may be the spark that will set it off. But whatever it is, the only thing for readers to do is to follow all advances with stops. The stops in your present holdings are as follows: Air Reduction, 43; Bethlehem Steel, 61; Goodyear, 31; International Harvester, 62; Superheater, 15, and U. S. Steel, 52.

* * *

MJS., St. Louis, Mo. Sorry, don't answer personal letters except in this column. There is no hard and fast rule about stops. Price range doesn't enter into decisions except that the higher the stock the further away its stop is likely to be. For example, a $50 stock may have a five-point stop, while a $10 stock may have a one-point stop. Bonds, for reasons too involved to go into here, do not react to stops as do the junior issues. Thanks for your opinion of this column and the good wishes.

* * *

More next Thursday.

—Walter Whyte

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 1942, OF

THE TEXAS COMPANY

AND SUBSIDIARY COMPANIES (Excluding European Subsidiaries)

STATEMENT OF CONSOLIDATED INCOME ACCOUNT

GROSS OPERATING INCOME:		
Net sales	$396,895,768.71	
Miscellaneous	15,478,332.11	$412,374,100.82
OPERATING CHARGES:		
Costs, operating, selling and general expenses (exclusive of depreciation and depletion)	$297,406,858.34	
*Taxes	13,335,361.11	
Amortization of drilling costs on producing wells, expenditures incurred on dry holes and unamortized drilling costs on wells abandoned during the year (The Company has since January 1, 1934, followed the policy of capitalizing drilling costs of producing wells, and amortizing such costs at the rate of 8% per annum except as to the costs of wells located in Illinois which are fully amortized as incurred.)	11,875,851.21	322,618,070.66
Balance		$ 89,756,030.16
NON-OPERATING INCOME (NET):		
Interest, dividend, patent, and other income, less miscellaneous charges of $1,122,100.18		5,347,088.95
Balance		$ 95,103,119.11
INTEREST CHARGES:		
Interest and amortization of discount and expense on funded debt	$ 3,010,377.72	
Other interest charges	504,251.04	3,514,628.76
Balance		$ 91,588,490.35
DEDUCT:		
Depreciation and other amortization	$ 24,856,422.71	
Depletion and leases forfeited	3,367,993.67	28,224,416.38
Net profit before provision for Federal income and excess-profits taxes		$ 63,364,073.97
DEDUCT—Provision for Federal income and excess-profits taxes (less $275,000.00 post-war credit)		16,215,000.00
Net profit for year 1942		$ 47,149,073.97
Profit applicable to minority interests in a subsidiary		89,072.91
Net profit before provision for reserve for contingencies arising out of the war		$ 47,060,001.06
DEDUCT:		
Provision for reserve for contingencies arising out of the war (see page 14 of report to stockholders)		12,000,000.00
Net profit carried to earned surplus account		$ 35,060,001.06

*In addition, state and federal gasoline and oil taxes were paid (or accrued) to taxing authorities in the amount of $99,909,544.34.

Reference is made to page 13 of the report to stockholders with respect to earnings of The Bahrein Petroleum Company Limited, and to page 24 relating to foreign investments and operations.

STATEMENT OF CONSOLIDATED EARNED SURPLUS ACCOUNT

EARNED SURPLUS, DECEMBER 31, 1941	$152,955,094.52
SURPLUS CREDITS:	
Adjustment of depreciation of certain subsidiaries for prior years	1,584,501.24
	$154,539,595.76
NET PROFIT FOR THE YEAR ENDED DECEMBER 31, 1942	35,060,001.06
	$189,599,596.82
DEDUCT—Dividends declared during 1942	21,751,252.00
EARNED SURPLUS, DECEMBER 31, 1942	$167,848,344.82

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS ACCOUNT

CAPITAL SURPLUS, DECEMBER 31, 1941		$ 69,882,244.40
DEDUCT:		
Excess of cost of additional shares of a subsidiary acquired from minority interests during 1942 over their net book value at date of acquisition	$ 10,032.21	
Excess of cost over par value of 174 shares of capital stock of The Texas Company reacquired in 1942 and held in treasury	2,296.00	12,328.21
CAPITAL SURPLUS, DECEMBER 31, 1942		$ 69,869,916.19

CONSOLIDATED BALANCE SHEET — DECEMBER 31, 1942

ASSETS

CURRENT ASSETS:		
Cash in banks, in transit and on hand—		
In United States	$ 65,752,678.92	
In foreign countries	2,173,377.26	$ 67,926,056.18
U. S. Government short-term securities, at cost		6,102,100.00
Notes and accounts receivable—		
Notes receivable	$ 360,050.04	
Accounts receivable	36,769,927.38	
	$ 37,129,977.42	
Less—Reserve for bad debts	650,000.00	
	$ 36,479,977.42	
Accounts and claims receivable from U. S. Government (see page 3 of report to stockholders)	29,288,411.76	65,768,389.18
Inventories—		
Crude and refined oil products and merchandise, at cost determined on the first-in, first-out method (after elimination of intercompany and interdepartmental profits) which in the aggregate was lower than market	$ 86,823,899.83	
Materials and supplies, at cost	10,029,455.18	96,853,355.01
Total current assets		$236,649,900.37
SPECIAL DEPOSITS FOR REPLACEMENT OF PROPERTIES UNDER AGREEMENTS WITH CERTAIN U. S. GOVERNMENT AGENCIES		2,990,250.00
LONG-TERM RECEIVABLES (Less reserve of $250,000.00)		1,564,453.23
INVESTMENTS IN AND ADVANCES TO EUROPEAN SUBSIDIARIES NOT CONSOLIDATED, less reserve of $5,300,000.00 (see note on page 24)		8,146,741.62
INVESTMENTS IN AND ADVANCES TO COMPANIES OPERATING IN FOREIGN COUNTRIES, WHICH ARE NOT SUBSIDIARIES—at cost $91,945,201.19 (of which $62,006,527.94 applies to 50% owned companies), less reserve of $28,000,000.00 (see note on page 24)		63,945,201.19
INVESTMENTS IN AND ADVANCES TO COMPANIES OPERATING IN THE UNITED STATES, WHICH ARE NOT SUBSIDIARIES—AT COST (Of which $7,258,401.00 applies to 50% owned companies) less reserve of $1,300,000.00		31,927,600.10
PROPERTIES, PLANT AND EQUIPMENT—AT COST:		
Lands, leases, wells and equipment (including drilling costs of producing wells completed since January 1, 1934)	$324,898,615.02	
Oil pipe lines and tank farms	65,951,668.98	
Refineries and terminals	180,893,176.07	
Ships and marine equipment	44,867,778.50	
Sales stations, facilities and equipment	105,763,432.19	
Miscellaneous	2,735,146.81	
Total	$725,109,817.57	
Less—Reserves for depreciation, amortization and depletion	356,223,200.54	368,886,617.03
PATENTS—AT COST (Less reserve for amortization of $1,759,659.99)		1,049,351.43
DEFERRED CHARGES:		
Prepaid insurance and taxes	$ 903,853.39	
Bond discount and expense in process of amortization	62,285.66	
Drilling costs on incomplete wells	1,127,535.01	
Other prepaid expenses and deferred charges	2,279,552.49	4,373,226.55
		$719,533,341.52

LIABILITIES

CURRENT LIABILITIES:		
Construction advances payable to U. S. Government (see page 3 of report to stockholders)		$ 8,136,297.00
Other notes and contracts payable (including $1,037,852.91 due in 1943 on long-term debt)		4,294,666.36
Accounts payable		18,122,665.21
Accrued liabilities		21,952,567.37
Provision for Federal income and excess-profits taxes (certain returns subsequent to 1933 are subject to final settlement with the U. S. Treasury Department)	$ 19,991,029.85	
Less—U. S. Treasury Tax Notes	15,900,000.00	4,091,029.85
Dividend payable January 2, 1943		5,433,485.00
Total current liabilities		$ 62,030,710.79
LONG-TERM DEBT:		
3% Debentures, due April 1, 1959	$ 40,000,000.00	
3% Debentures, due May 15, 1965	60,000,000.00	
1¾% notes payable to banks in annual installments of $750,000.00 from April 29, 1944	6,000,000.00	
Construction advances payable to U. S. Government	1,940,315.33	
Other long-term debt	776,858.48	108,717,173.81
DEFERRED INCOME AND SUSPENSE CREDITS		1,744,426.20
RESERVES (As authorized by the Board of Directors):		
For benefits under employes' plans—excluding $1,650,000.00 included in current liabilities above	$ 15,647,683.86	
For foreign exchange fluctuations (see notes on page 24)	2,106,653.75	
For contingencies arising out of the war (see page 14 of report to stockholders)	12,000,000.00	
For other contingencies	7,000,000.00	36,754,337.61
CAPITAL STOCK AND SURPLUS OF A SUBSIDIARY COMPANY APPLICABLE TO MINORITY INTERESTS		677,782.10
CAPITAL STOCK AND SURPLUS:		
Capital stock, par value $25.00—		
Authorized 14,000,000 shares		
Issued 11,386,253 shares	$284,656,325.00	
Less—Held in treasury, 510,627 shares, at par value	12,765,675.00	
Outstanding 10,875,626 shares	$271,890,650.00	
Capital surplus	69,869,916.19	
Earned surplus	167,848,344.82	509,608,911.01
		$719,533,341.52

CONTINGENT LIABILITIES—Reference is made to page 14 of report to stockholders and notes on page 24 with respect to certain contingent liabilities. The Company's General Counsel reports that while it is impossible to ascertain the ultimate liability with respect to other contingent liabilities, including pending lawsuits, Federal taxes, claims, guarantees, etc., in his opinion, the aggregate amount of ultimate liability in respect of such other contingent liabilities is not materially important in relation to the total consolidated assets of The Texas Company and subsidiaries.

The foregoing balance sheet and statements are taken from the annual report, dated March 15, 1943 to stockholders of The Texas Company, and should be read in conjunction with such report which contains the certificate of Messrs. Arthur Andersen & Co., Auditors, attached to such financial statements. A copy of the report to stockholders may be had upon application to the Company. The said balance sheet, statements, and report are not intended to constitute an offer, solicitation of offer, representation, notice, advertisement, or any form of a prospectus in respect of any security of The Texas Company.

Calendar of New Security Flotations

OFFERINGS

THIOKOL CORPORATION

Thiokol Corporation has filed a registration statement with the SEC for 102,000 shares of common stock, per value $1 per share.

Address—780 North Clinton Ave., Trenton, N. J.

Business—Company is actively engaged in research looking to the improvement of the qualities of its existing products and to the discovery and development of additional types of "Thiokol" synthetic rubbber.

Offering—The 102,000 shares registered will be offered pro rata to stockholders after the effective date of registration at a price to be fixed by amendment.

Underwriting—On Feb. 3, 1943, the company entered into an underwriting agreement with J. G. White & Co., Inc., which provides among other things that it will amend its certificate of incorporation so that its capitalization will be 500,000 shares of common stock, par $1 per share, of which 204,000 shares will be issued to present stockholders on basis of three shares of $1 par common for each of the 68,000 outstanding shares of common without par value. The company will sell to the underwriters such common stock as are not subscribed for by stockholders at a price to be filed by amendment.

Proceeds—Net proceeds from sale of the shares will be used to increase the company's working capital. Some portion of working capital may be devoted to additional research and development.

Registration Statement No. 2-5093. Form [illegible]1 (2-13-43).

In an amendment filed corporation fixes the price at which the 102,000 shares of new common stock are to be offered to present common stockholders at $5 per share. Offering will be on the basis of one share of new stock, $1 par, for each two shares outstanding as of Feb. 13, 1943, when company was recapitalized by the issuance of three shares of common, par $1, for each of the 68,000 shares of common without par value then outstanding.

The company has agreed to sell to J. G. White & Co., Inc., as underwriter, at a price of $5 per share, all of the 102,000 shares of common which are not subscribed for by the present stockholders. The underwriters are to be paid a fee or commission of 75 cents per share for each share taken up and paid for, and a fee of 25 cents per share as a "standby underwriting fee" on each share that is taken up by the stockholders.

Certain stockholders, including Case, Pomeroy & Co., Inc., have agreed to waive their preemptive rights to subscribe to a total of 42,558 shares, so that at least 42,558 shares will be available to the underwriters for offering to the public. The company has been informed by the Dow Chemical Co. that it does not know whether it will exercise its rights to subscribe for any shares of stock.

As of Feb. 1, 1943, Dow Chemical Co. owned 31% of the common stock, and Case, Pomeroy & Co., Inc., New York, owned 22% of the common.

Registration statement effective 3:30 p. m. EWT on March 2, 1943.

Offered at $5 per share March 16, 1943, by J. G. White & Co., Inc.

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West, Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

Registration statement effective 5:30 p. m. EWT on March 13, 1943.

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and voting trust certificates for a number of shares of capital stock to be named by amendment will also be filed by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

In an amendment filed Jan. 11, 1943, company stated the units to be offered the public would consist of $1,000 face amount of debentures and voting trust certificates representing 200 shares of the company's capital stock. Offering price per unit will be $2,250.

Voting trust certificates representing 112,500 shares of capital stock will be acquired by the underwriter and a portion of such voting trust certificates may be distributed to members of the selling group. All or any part of such voting trust certificates may be sold by the owners thereof at the then over-the-counter market price. On Dec. 22, 1942, voting trust certificates were sold on the over-the-counter market in New York at a price of $1.30 (United States dollars).

Registration statement effective 5:30 p. m. EWT on March 13, 1943.

Offered in units of $1,000 principal amount of debentures and 200 shares of capital stock (v.t.c.) by Otis & Co. at $1,000 (U. S. dollars) per unit.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, MARCH 20

SUNNY COURT BUILDING CORP.

Lucius Teter, Frank M. McKey and Edward L. Vollers, voting trustees, have filed a registration statement with the SEC for voting trust certificates for 1,430 shares of common stock of Sunny Court Building Corp.

Address—Of trustees, 135 South LaSalle Street, Chicago.

Business—Apartment building.

Offering—As soon as practicable after registration statement becomes effective.

Purpose—The securities are presently subject to a voting trust agreement which expires April 18, 1343. It is proposed to extend the agreement, as amended, to April 18, 1953.

Registration Statement No. 2-5103. Form F-1 (3-1-43).

SUNDAY, MARCH 21

AMERICAN VITRIFIED PRODUCTS CO.

American Vitrified Products Co. has filed a statement covering the registration of $857,500 first mortgage 5% sinking fund bonds of Universal-American Corporation, the continuing company in a proposed merger.

Address—1500 Union Commerce Building, Cleveland. Ohio.

Business—Manufacture and sale of sewer pipe, segment forms, flue lining, wall coping, hot top brick, drain tile, joint compound, chemical stoneware and other clay and cement products.

Underwriting—S. K. Cunningham & Co., Inc., Pittsburgh, has been retained by American to assist in the solicitation of securities in the proposed merger.

Offering—Plan proposes merger of Universal Sewer Pipe Corp. into American Vitrified Products Co., with the continuing company to be known as Universal-American Corp. Universal owns 70,000 common shares of American out of 177,029 common shares outstanding. In addition to the bonds registered, Universal-American will be authorized to issue 250,000 shares of the par value of $2 each. Proposed agreement of merger which has been approved by the boards of both companies provides for the following exchange of securities:

First mortgage bonds of Universal-American will be exchanged for preferred shares of American on the basis of $50 face amount of bonds for each preferred share of American. One share of Universal-American will be exchanged for each common share of American; and 1¾ shares of Universal-American for each class A and each class B share of Universal. Holders of first mortgage 6% sinking fund bonds of Universal will be asked to exchange their bonds for a like face amount of first mortgage 5% sinking fund bonds of Universal-American upon completion of the merger. None of the first mortgage bonds will be offered or sold for cash.

Purposes—For consolidation.

Registration Statement No. 2-5104. Form S-1 (3-2-43).

WEDNESDAY, MARCH 24

BURTONITE CORPORATION

Burtonite Corporation has filed a registration statement for 10,000 shares of 7% preferred stock and 15,000 shares of common, no par.

Address—2500-22 Fisher Street, Fort Worth, Texas.

Business—Manufacture of face brick.

Offering—Present offering consists of 2,000 units, each unit consists of four shares preferred and one share common, price per unit is $10.

Underwriting—None. Distribution is to be made by direct sales by the corporation of its treasury stock.

Proceeds—Expansion of plant facilities, installation of additional equipment and for working capital.

Registration Statement No. 2-5105. Form S-2 (3-5-43).

SATURDAY, MARCH 27

MASTER ELECTRIC CO.

Master Electric Co. has filed a registration statement for $3,000,000 10-year sinking fund debentures due March 1, 1953. Interest rate will be filed by amendment. Sinking fund provides for retirement of total of $1,800,000 of issue by Sept. 1, 1952.

Address—126 Davis Ave., Dayton, Ohio.

Business—Manufacture and sale of electrical products, including motors and generators, various types of industrial equipment generally involving the use of electric motors.

Underwriting—McDonald-Coolidge & Co., Cleveland, Ohio, is named as principal underwriter.

Offering—Offering price to public will be filed by amendment.

Proceeds—Of the proceeds $500,000 will be used to reimburse partially the company's treasury for payment of the first quarter of 1942 Federal income and excess profits taxes, which payment amounted to approximately $872,000, and the balance for the purchase of U. S. Treasury tax anticipation notes.

Registration Statement No. 2-5106. Form S-1 (3-8-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage Bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2 (9-17-41)

Amendment filed Feb. 26, 1943, to defer effective date

KNUDSEN CREAMERY CO. OF CALIFORNIA

Knudsen Creamery Co. of California has filed a registration statement for $500,000 first mortgage serial bonds, bearing interest of 4½% and maturing serially from March 1, 1944, to March 1, 1955.

Address—1974 Santee St., Los Angeles, Cal.

Business—Engaged in the general business of buying and selling milk and its derivatives; processing and marketing milk and products derived from milk; manufacturing, buying and selling butter, cheese, cream, buttermilk, cottage cheese, curds, whey, etc.

Offering—As soon as practicable after the effective date of the registration statement. Price to public will be filed by amendment.

Underwriting—Dean, Witter & Co., Los Angeles, Cal., is named as the principal underwriter.

Proceeds—Approximately $275,228 of the net proceeds will be devoted to the redemption of the entire issue of the company's first mortgage convertible 5½% sinking fund bonds. Such bonds are to be called for redemption on May 1, 1943, at 102½ plus accrued interest. Balance of net proceeds will be added to company's working capital.

Registration Statement No. 2-5100. Form A-2. (2-23-43).

Registration statement effective 5:30 p. m. EWT on March 12, 1943.

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

Amendment filed March 1, 1943, to defer effective date.

In an amendment the company fixes the amount of the proposed new issue of first mortgage bonds at $20,500,000 in place of $22,000,000 as originally filed. Company in amendment also revises its financial program so as to provide only for the issue and sale of the first mortgage bonds. The original plan provided also for the issue and sale of $2,500,000 of unsecured notes and the sale of 3,284 shares of its common stock to New England Public Service Co., parent company, at a price of $60 per share. The unsecured notes were to be sold privately. Proceeds from the sale of the first mortgage bonds which are to be sold at competitive bidding will be applied to redeem and retire company's presently outstanding bonds in the aggregate face amount of $18,929,000, pay its bank loans aggregating $1,000,000 and provide funds for working capital.

In an amendment filed March 11, 1943, the company states that on March 1, 1943, Public Service entered into a contract with the Twin State Gas & Electric Co. to acquire that company's properties, business and franchises in New Hampshire and Maine. Subject to approval of regulatory authorities having jurisdiction and to the terms and conditions of such contract, the company now contemplates financing such acquisition through the issuance of $1,000,000 of additional first mortgage bonds, Series A 3¼% due 1973, and $3,000,000 of unsecured notes maturing serially in amounts of $150,000 semi-annually from the date of issue. It is expected that such acquisition and the related securities issues will be consummated before July of this year. In a separate petition company said these securities would be sold privately to a limited number of financial institutions.

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11(e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

The company on Feb. 16, 1943, filed with the SEC amendments to its plan of recapitalization and refinancing making changes in the voting positions of the new stocks and providing for bank loans as a part of the financing instead of short term debentures.

Under the voting change the new common stock is to receive five votes a share instead of the one previously alloted. The voting power of the first preferred will be returned to one vote a share instead of the two granted originally.

The refinancing plan has been modified to substitute $6,500,000 of 3⅛% five year bank loans in place of $8,000,000 of nine year debentures. The plan to sell $52,000,000 of first mortgage bonds remains unchanged.

The bank loans would be eliminated March, 1948, under a plan calling for a $1,000,000 reduction on Sept. 1, this year; $1,000,000 on March 1, 1944, and $562,500 semi-annually until March 1, 1948.

The changes in the voting powers of the preferred and common stocks were made to meet objections of the SEC which felt under the original plan the preferred had been given excessive voting power.

The Chase National Bank will take $3,000,000 of the proposed bank loans; the Harris Trust & Savings Bank $1,000,000 and nine Seattle banks the balance.

The SEC on March 16, 1943, approved the company's refinancing program.

Amendment filed March 10, 1943, to defer effective date.

Company on March 16 announced it is inviting bids for the $52,000,000 first mortgage bonds, due Dec. 1, 1972. The bidders are to name the coupon rate and bids will be received by the company on or before 12 o'clock noon EWT on March 29, 1943. Officers and representatives of the company will meet prospective bidders on March 24, 1943, 10 o'clock a. m. EWT, for the purpose of reviewing with them the information with respect to the company contained in the registration statement and prospectus.

(This list is incomplete this week)

Delivery Of Govt. Securities Outside United States

Allan Sproul, President of the Federal Reserve Bank of New York, sent on March 13 the following notice to banks, trust companies and other issuing agents for War Savings Bonds in the Second Federal Reserve District, regarding the delivery of Government securities outside the United States and its possessions:

"Your attention is directed to the fact that delivery, on original issue or otherwise, of United States Savings Bonds, Treasury Tax Savings Notes, or any other interest-bearing securities of the United States, may not be made at the risk and expense of the United States to addresses outside the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico and the Canal Zone. Special penalty envelopes supplied to issuing agents of Series E War Savings Bonds for mailing bonds to purchasers on original issue where personal delivery is impracticable should not, therefore, be used to mail bonds to purchasers residing outside the areas specified above.

"Deliveries of Government securities to addresses outside the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico and the Canal Zone, which are not otherwise prohibited, may be made at the risk and expense of anyone other than the United States. Accordingly, if you are requested to deliver such securities to any point outside the areas specified, you should advise the owner that such delivery will not be made at the risk and expense of the United States and may suggest that instructions be given for delivery to a point within such areas."

St. Paul & Western Pacific Decisions Interesting

An interesting resume of the St. Paul and Western Pacific decisions has been prepared by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies may be obtained by writing to Pflugfelder, Bampton & Rust.

John Pierpont Morgan - - In Memoriam

(Continued from first page)

000 of foreign bonds which J. P. Morgan & Co. brought out in the post-war period, only $140,000,000 remained with American investors because $2,060,000,000 had been paid off or repatriated.

For the ten years following the first World War, J. P. Morgan & Co. placed $6,000,000,000 in bond issues, domestic and foreign. In this same reconstruction period, at the request of various governments, including our own, the Morgan firm consented to sponsor the American portions of the Dawes and Young loans for Germany, which were arranged in an international effort to rehabilitate Europe.

The stupendous purchasing operations of about $3,000,000,000 of war supplies executed by J. P. Morgan & Co. for Britain and France, before the U. S. entered the first World War, stands without a precedent in banking history here or abroad.

Mr. Morgan exercised guidance over the various affiliated firms of J. P. Morgan & Co., New York, Drexel & Co. of Philadelphia. Morgan, Grenfeld & Co. of London and Morgan & Co. of Paris, The total assets of the New York and Philadelphia houses on Jan. 2, 1931, are stated to have been $703,909,403.

"To perpetuate the business and to broaden its usefulness" was advanced as reasons why the partnership of the New York firm was converted into a corporation and State bank with Mr. Morgan presiding as the first chairman of its board and Thomas W. Lamont as Vice Chairman, as well as a plan to protect the firm against the danger of death and inheritance taxes weakening its capital structure.

When Congress by the Banking Act of 1933 divorced investment banking from commercial banking, J. P. Morgan & Co. chose to remain a bank of deposit, and some of its partners withdrew, and formed Morgan Stanley & Co. Inc., to carry on the underwriting business. Morgan Stanley & Co., was formed Sept. 16, 1935, to take over the underwriting and wholesale distribution of investment securities of the old Morgan firm. The original paid-in capital of Morgan Stanley & Co. was $7,500,000, with a membership which included five partners who withdrew from J. P. Morgan & Co. Mr. Morgan's younger son, Henry S. Morgan, was one of the five partners.

Personally a kindly individual, good-natured, with a keen sense of humor, considerate of others, witty, public-spirited, with many civic and cultural interests, this masterful man tried to live the free life of the plain American citizen in his home life, in his church and in the community.

It must be said that this modest Christian gentleman exemplified and practiced a high standard of ethics and fair business dealing for himself and his firm throughout his lifetime, and his benefactions, other than his public philanthrophies, although known to few persons, were many and varied.

A devout church man and a Bible student, a lover of the classics and a constant reader of literature, gifted with a rentential memory, he often quoted passages from them in his daily life. Mr. Morgan had a high sense of moral obligation to his fellow man. At a Congressional inquiry at which he enunciated his principles by reading a statement outlining his conception of the duties and obligations of the private banker which he had written with the meticulous care and restraint so characteristic of him, Mr. Morgan said:

"The private banker is a member of a profession which has been practiced since the Middle Ages. In the process of time there has grown up a code of professional ethics and customs, on the observance of which depend his reputation, his fortune and his usefulness to the community in which he works.

"Some private bankers, as indeed is the case in some of the other professions, are not as observant as they should be; but if, in the exercise of his profession the private banker disregards this code, which could never be expressed in legislation but has a force far greater than any law, he will sacrifice his credit. This credit is his most valuable possession; it is the result of years of fair and honorable dealing and, while it may be quickly lost, once lost cannot be restored for a long time, if ever. The banker must at all times so conduct himself as to justify the confidence of his clients in him and thus preserve it for his successors.

"If I may be permitted to speak of the firm of which I have the honor to be the senior partner, I should state that at all times the idea of doing only first-class business, and that in a first-class way, has been before our minds. We have never been satisfied with simply keeping within the law, but have constantly sought to act that we might fully observe the professional code, and so maintain the credit and reputation which has been handed down to us from our predecessors in the firm. Since we have no more power of knowing the future than other men, we have made many mistakes (who has not during the last five years?), but our mistakes have been errors of judgment and not of principle.

Duty of Private Banker

"The private banker has at least one other duty: he must be ready and willing at all times to give disinterested advice to his clients to the best of his ability. If he feels unable to give this advice without reference to his own interests, he must frankly say so. The belief in the integrity of his advice is a great part of the credit of which I have spoken above as being the best possession of any firm."

Again, at another Congressional hearing Mr. Morgan had this to say: "No one could hate war more than I, but even with that hatred I was proud of my country when the President asked Congress to declare a state of war. . . . There are some things it is better to die for than live without. A nation's self-respect and independence are two of them. . . . Germany drove the United States into the war by a series of insults and injuries."

At one of the Congressional banking inquiries he corrected his questioner thus: "The Bible does not say that money is the root of all evil. It says, the love of money is the root of all evil."

Mr. Morgan's last utterance for publication came on Sept. 18, 1942, when in response to a request by the U. S. Treasury he took up a pencil and wrote out the following tribute to the financial credit of his country in time of war:

"Nowhere in these days can a safer investment be found for savings than U. S. Government bonds, and of all the issues the war savings bonds seem to me the most advantageous."

The statement was reproduced in facsimile and the Treasury circulated it widely.

At the Nye Congressional hearing the examiner asked Mr. Morgan whether a certain cablegram of his addressed to his London house had not had an ulterior meaning. Mr. Morgan's answer was instantaneous, and with considerable feeling he responded:

"If you allow me to say it, when we are dealing with our partners we are not finessing. What we say, we mean, and what we do not say, we do not mean. . . . That has always been our habit with our partners and always will be, I hope."

This was likewise the high-minded attitude which this distinguished firm maintained in all its customer relationships.

It should be said that Mr. Morgan did not know fear. He bore a striking facial and physical resemblance to his father in manner, walk, voice and address. In the summer of 1915 an attack was made upon his life by an armed German sympathizer, Eric Muenter by name, who forced his way into his Matinecock estate home near Glen Cove, L. I. Mr. and Mrs. Morgan rushed downstairs when they heard the commotion in their entrance hall. Mrs. Morgan instinctively placed herself in front of her husband, but her husband thrust her aside and came to grips with the intruder, whom he overpowered, but not before the assailant fired two shots, causing Mr. Morgan a slight groin wound. The assailant later committed suicide in jail. In the middle 30's the Morgan bank building was picketed by a street mob of chanting Communists, carrying placards. Unemployment and agitation was at its height in New York and elsewhere that mid-winter day. Mr. Morgan was due to attend a directors' meeting in the financial district. Ignoring his partners who had urged him not to leave the building, Mr. Morgan deliberately put on his hat and coat and walked straight through the marching column without molestation.

Another distressing incident in his career occurred when a huge bomb in a wagon near the Morgan bank building exploded on Sept. 16, 1920, killing 30 persons and injuring 100 or more persons who were passing on Wall Street and Broad Street sides of the building. Mr. Morgan happened to be in England at the time this dastardly attack was perpetrated.

Many honors were bestowed on this great American financier for his achievements: France made

(Continued on page 1016)

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47 TH ANNUAL REPORT

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

(AND SUBSIDIARY COMPANY)

YEAR 1942

Consolidated Income Account and Summary of Earned Surplus
Account for the Year Ended December 31, 1942

Consolidated Income Account

Gross Earnings		$ 53,902,204
Operating Expenses and Taxes (before Federal Taxes on Income)		
Operation and Maintenance	$13,072,593	
Taxes—State, Local and Miscellaneous	6,495,975	
Provision for Depreciation (substantially 16½% of operating revenues)	8,802,258	28,370,826
Gross Income (before Federal Taxes on Income)		$ 25,531,378
Interest and Other Deductions		5,763,779
Net Income before Federal Taxes on Income		$ 19,767,599
Provision for Federal Taxes on Income		9,655,500
Net Income		$ 10,112,099

Summary of Consolidated Earned Surplus

Balance, January 1, 1942		$ 14,313,593
Add: Net Income for the year ended December 31, 1942		10,112,099
		$ 24,425,692
Deduct: Dividends	$ 9,794,713	
Additional provision for prior years' income taxes	700,000	
Adjustments of original cost of Electric Plant	777,734	
Miscellaneous charges	1,658	11,274,105
Balance, December 31, 1942		$ 13,151,587

Consolidated Balance Sheet, December 31, 1942

Assets

Plant, Property, Rights, Franchises, Etc. (Stated substantially at cost)		$358,461,494
Cost of Electric Plant Requisitioned by United States Government, amount of settlement not determined		1,252,211
Miscellaneous Investments		4,521,847
Cash on Deposit with Trustees		25,629
Debt Discount and Expense on Refunded Issues, being amortized		11,941,752
Capital Stock Selling Expense on Original Issues		3,368,417
Prepaid Accounts and Deferred Charges		4,237,581
Current Assets:		
Cash in Banks and on hand, and Working Funds	$ 3,742,300	
United States Government obligations at cost	10,780,000	
Accounts and Notes Receivable, less $592,266 Reserve for Uncollectible Receivables	3,137,285	
Construction and Operating Material and Supplies, at cost	3,600,155	21,259,740
		$405,068,671

Liabilities

Stated Capital:		
Capital Stock (Par Value $25 per share)		
Preferred—3,466,857 Shares	$85,441,811	
Common—3,182,805 Shares	70,743,697	$156,185,508
Long Term Debt		138,000,000
Premium on Bonds Outstanding, being amortized over lives of issues		2,896,777
Deferred Liabilities		370,072
Current Liabilities and Accruals		18,992,571
Reserves		74,173,022
Contributions in Aid of Construction		1,299,134
Earned Surplus		13,151,587
		$405,068,671

(THE ABOVE STATEMENTS ARE CONDENSED FROM THE PUBLISHED ANNUAL REPORT)

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RUSSIAN DOLLAR BONDS
5½%, 1919 6½%, 1921
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FOREIGN SECURITIES SPECIALISTS
50 Broad Street, New York

Direct Wire to C. M. & Co. Inc. Chicago, Ill. Phone State 6693

Our Reporter On "Governments"

By S. F. PORTER

The terms of the April deal are now out, indicating again the Treasury's strong desire to give investors and managers of the sale all the time they need for preparation, for digesting the details, for paving the way in a dozen different ways. . . . If ever we had an example of a "non-surprise" technique, this is it. . . . And this is fine. . . . A full month in which to work on covering the country, getting committees set up, informing buyers in every part of the nation what the offering means and what they should do. . . . And there isn't any surprise in the terms either. . . . They're exactly what we expected and exactly what the market wants. . . .

It's too early to consider what premiums will appear on the new issues, of course! . . . It would be folly and it would be impertinent to guess at that now. . . . Any change in the market may throw calculations out of gear. . . Any switch in buying interest between now and April 12 may take off a 32nd from this bond, add a 32nd to the other. . . . Nevertheless . . . here's the way matters line up as of today—and not as of the dates you'll be checking this in April. . . .

First, premiums on both issues seem assured. . . . The new 26-year "on sale" 2½s are perfectly in accordance with pre-announcement guesses. . . . A 1969/64 2½ in this market should be worth at least ½ point. . . .

As for the 9½-year 2s, they seem as attractive as anything available now. . . . Again, a premium of ½ point after the initial confusion has been gotten out of the way seems probable. . . .

The ⅞% certificates naturally will be in demand, and so we need not consider prices on those at this time. . . . The rest of the "basket" is the same as current offerings. . . . Tax notes and War bonds, Series E, F and G. . . .

The "basket" has been simplified, which is fine and exactly what we wanted. . . . The new "on sale" bonds and the 2s are what the market has indicated it can take, which also is fine. . . . The long preparation period is smart, too, for this time, the minimum being sought is $13,000,000,000. . . . And we may admit the goal really is $16,000,000,000. . . .

So get set. . . . Get set to buy them and hold them and trade them later, after the fuss is over and you can sit back and check over your portfolio. . . .

One thing is the premiums that are due to appear and the condition of the market will depend on how you—and that means every investor in the nation—react. . . . If the sales are slow, we won't have any premiums. . . . If the sales are fast and distribution is satisfactory, ½ point will be just the beginning. . . .

DISCOUNT BILLS

Another development of importance is the boost in the weekly discount bill total to $800,000,000, confirming reports around these last few days that the aim is a weekly total of $1,000,000,000. . . . We're getting accustomed to discount bill offerings now. . . . The level definitely is established at 0.37%. . . . Institutions have learned how to bid for the securities, the Federal Reserve has learned how to use them as an effective money market device. . . . And they are one of the best known methods for raising short-term funds. . . .

Until last week, the Treasury's $700,000,000 weekly issue raised $200,000,000 in new cash, refunded $500,000,000 of maturing bills. . . . For the next five weeks $600,000,000 issues are coming up for "roll over" and thus the Treasury's increase to the $800,000,000 level, so that the level of new money borrowing per week can be maintained. . . . We'll be up to the billion-dollar mark in a few months. . . . And then we can wonder about the next objective. . . .

AN "IN BETWEEN MARKET"

The market took the news of the financing terms in stride. . . . Trading has continued light, prices have remained firm and the long-term 2½s due in 1972 actually moved up immediately after the announcement. . . . With all attention focussed on the coming deal and the objective of all authorities the maintenance of the status quo (as opposed to a higher or lower market) it is to be taken for granted that inside market stories will be few and far between for a while. . . .

If you're intending to do any buying in the open market between now and the new financing date, incidentally, an excellent rule to follow would involve purchase of securities closest to par and thus closest to the "support level." . . . For instance, if you're interested in picking up some 2% bonds, the most attractive issues appear to be the:

2s of 3/15/52/50, selling at 100.12, to yield 1.93% to call; or the

2s of 12/15/55/51, selling at 100.6, to yield 1.97% to call. . . .

Both issues are taxable, of course. . . . Both issues may be considered to have a bottom at par. . . . And both issues will be protected from heavy market pressure in the event of an unexpectedly adverse development in the new financing period. . . .

It's a good rule to follow generally. . . . Confine yourself to the low-premium issues whenever possible during this period because of the guarantee of support. . . .

THE 1972/67 ISSUE

To any institution forbidden from buying the "on sale" or "tap" 2½s, there is only one 2½ bond in the long-term market. . . . And that's the 2½% loan of 1972/67. . . . Admittedly, it's beyond the 10-year classification and thus may appear dangerous to a small bank eager to avert any criticism. . . . But diversified portfolios may include these 2½s and the 2.46% yield to call looks wonderful in comparison with the yields available on shorter-term bonds. . . .

Similarly, to any institution outside the commercial banking classification and any individual handling a large Government portfolio, the 2½s of 1968 and 1967 are the more attractive bonds. . . . They're shorter. . . . They sell at lower prices. . . . The 1972s are at 100.20 as compared with prices around 100¼ on the shorter-terms. . . .

The switch here is obvious and has been suggested by this writer before. . . . You gain in price, maturity and yield if you are eligible for buying the 1969s, 1968s or 1967s and may shift from the 1972s. . . . And if yours is a commercial bank, you may find a move from shorter-term bonds into the 1972 2½s a safe and profitable transaction. . . .

OVERDRAFTS

Interesting development in the Government financing picture is the Treasury's increasing use of its war-time power to borrow directly from the Federal Reserve Banks. . . . To ease the banking position over the income tax date, the Treasury borrowed more than $1,000,000,000 from the central bank, according to reports, through special one-day certificates of indebtedness. . . . Secretary Morgenthau has power to borrow up to $5,000,000,000 under war powers bill passed early last year, so, of course, he's entirely within his legal rights. . . .

Reason for borrowing was Morgenthau's wish to give banks as much leeway as possible over crucial income-tax date period. . . . He's using the "overdraft" method widely known in Europe prior to the war but it's new here, and this $1,000,000,000 borrowing represents a record peak for this type of financing. . . .

Morgenthau doesn't have to restrict his borrowing to one-day certificates, by the way. . . . Under the law, he may borrow through long-terms too.

John Pierpont Morgan - - In Memoriam

(Continued from page 1015)

him a Commander of its Legion of Honor. Belgium decorated him as a Grand Officer of the Order of Leopold II and Italy as a Grand Officer of the Order of the Crown and he was given the honorary freedom of the Goldsmiths Company in England. In 1937, Pope Pius XI conferred the Grand Cross of the Order of St. Gregory the Great on Mr. Morgan, who also received L.L.D. degrees from Trinity College, Hartford, 1918; Cambridge University, 1919; Harvard, 1923; and Princeton, 1929. New York University conferred the degree of Doctor of Commercial Science in 1922, and in 1930 Oxford University awarded him its high distinction, the Doctorate of Civil Laws.

Yet in spite of the fact that he was one of the most influential and powerful men in the world of business and finance, J. P. Morgan was a retiring, reticent, simple, home loving man who preferred his books, his flowers, his paintings and art objects, his friends, the quiet of the country squire, and who cared less for society, club life and the social emoluments of a man of his means and position.

Mr. Morgan's keenest outdoor pleasures consisted of grouse hunting at his estate in Scotland, the cultivation of flowers at his Matinecock estate, near Glen Cove, L. I., his ocean yachting trips and enjoyment of his paintings, rare books, manuscripts and art objects at the Morgan Library, built as an addition to his home at 231 Madison Avenue.

Following his father's love of nautical pursuits, Mr. J. P. Morgan passed much of his spare time cruising in the Corsair IV, the last word in an ocean-going yacht, which he turned over to the British Government for a nominal sum at the outbreak of the present World War. Mr. Morgan was accompanied on several long cruises by his friend, Most Rev. Cosmo Gordon Lang, the former Archbishop of Canterbury. The first Corsair owned by his father saw service and was wrecked in the Spanish-American War carrying war stories for the Associated Press to a cable station in Jamaica. The second Corsair was renamed the Gloucester after she was transferred to the U. S. Government by the elder Morgan in the Spanish-American War. The third Corsair owned by the late Mr. Morgan, was loaned to the United States Navy and saw service in the first World War doing convoy duty out of Brest, France, with the 6th Flotilla. The ship was returned to Mr. Morgan with two service chevrons on her funnel and in 1930 was turned over to the United States Geodetic Survey and is now in their service as the renamed Oceanographer. J. P. Morgan was commodore of the New York Yacht Club from 1919 until 1921. His father, J. Pierpont Morgan, served as commodore of the Club from 1897 to 1899, and likewise his grandson, Junius S. Morgan, now active in the United States Navy, was Commodore in 1933 and 1934.

A volume might be written to describe the J. Pierpont Morgan and J. P. Morgan collection of world-famous paintings, porcelains, ivory miniatures, watches and the other art possessions of these two men.

In 1924, Mr. Morgan completed arrangements to turn over to the City of New York the Morgan Library in 36th Street, adjoining the family home, with its priceless collection of books and manuscripts. The trustees also received an endowment fund of $1,500,000 to maintain the library.

Explaining the gift, Mr. Morgan said:

"My father's intense interest and satisfaction in the library make it a peculiarly fitting memorial to him. It keeps alive the memory of his love for rare books and manuscripts and his belief in the educational value of the collection which he gathered."

When Mrs. Morgan died of sleeping sickness in 1925, Mr. J. P. Morgan established a large fund for research for the cure of this disease. He generously made up the annual deficits of Ly-in-Hospital, and when it was absorbed by the New York Hospital he set up a fund to yield enough annually to meet the amount of the previous deficits. The American Red Cross was the recipient of $2,000,000 from Mr. Morgan and his partners in the first World War and in 1921 Mr. Morgan presented his London residence to the American Embassy. He gave Glen Cove, near his Long Island home, a park in memory of his wife.

Mr. Morgan was born Sept. 7, 1867, at Irvington, N. Y., attended St. Pauls' School, Concord, N. H. and Harvard University. His two sons are in the Navy. Commander Junius Spencer Morgan is in foreign service and Lieut. Commander Henry Sturgis Morgan is serving in this country. Mr. Morgan's daughters are Mrs. George Nichols and Mrs. Paul G. Pennoyer of New York. He had more than thirty grandchildren. Miss Anne Morgan, his sister, is known the world over for her war and humanitarian work in France and other countries and women's organization activities. Two other sisters: Mrs. Morgan Hamilton and Mrs. Herbert L. Satterlee of New York, survive him.

Mr. Morgan shunned publicity and tried for years to keep in the background in the pursuance of his many personal interests and financial activities.

He enjoyed the friendship of Pope Pius XI, George V and the reigning Queen Elizabeth of England and her husband, George VI. Mr. Morgan received a special invitation from King George VI and Queen Elizabeth to attend the coronation ceremonies at Westminster but was unable to do so on account of a slight heart attack.

As the successor to his father, whose genius and determination saved the U. S. Treasury from bankruptcy during Grover Cleveland's administration, J. P. Morgan, by his achievements and career, added new lustre and honor to the firm his father founded 81 years ago.

For years to come, Mr. Morgan will be remembered for his simplicity, probity, veracity and sagacious judgment in and out of the financial world.

HERBERT D. SEIBERT, Editor.
March 18, 1943.

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Bear, Stearns & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, announce the appointment of Donald C. Lillis, as Manager of their Public Utility Department. Mr. Lillis, for the past nine years was associated with Laurence M. Marks & Co. as manager of their Trading Department and before that was Assistant Secretary of Manufacturers and Traders Trust Company of Buffalo.

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Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4160 New York, N. Y., Thursday, March 18, 1943 Price 60 Cents a Copy

THE FINANCIAL SITUATION

Post-war planning, in its domestic aspects at least, appears to have come to some sort of climax last week when the President sent to Congress what the public seems to suppose is, but which is not, a new set of proposals for winning the peace here at home, or to speak more accurately perhaps, two sets of proposals, one dealing with "social security" and the other with various other matters. One of the documents appears to be the regular annual report of the National Resources Planning Board, and the other seems to be a somewhat formalized draft of what the President and others around him have long been advocating in broadening and revising the so-called social security program of the Administration.

Why Now?

Considerable speculation is current as to why the President chose this particular moment to bring these matters pointedly to the attention of Congress. He is being accused of using this means of opening or furthering next year's political campaigns. This he may well be undertaking to do, but, if so, the cool reception accorded in Congress grows in significance. The fact is that there is very little, if anything, new in these proposals. The significance of the entire episode seems to us to lie, first, in the fact that the President has made a point of urging Congress to "give these matters full consideration during this session," and, second, in the further fact that Congress apparently has little intention of doing any such thing.

As to the proposals themselves, they are for the most part on a par with the vague and high-falutin discussions of "global thinking" which have of late been incessant—"globaloney" is the term that has been aptly coined for them. These Planning Board proposals are certainly enough to arouse the suspicions, not to say the wrath, of Congressmen—and of all others with the good of their country at heart—but they have for the most part long been before Congress with the blessings of the President. The propaganda machine in Washington has found in them a "new bill of rights." Here it is:

1. The right to work, usefully and creatively through the productive year.
2. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift and other socially valuable service.
3. The right to adequate food, clothing, shelter and medical care.
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment and accident.
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority and unregulated monopolies.
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police.

(Continued on page 1018)

"These Matters"

I am transmitting herewith two reports of the National Resources Planning Board. . . .

Because of their basic importance to our national welfare during the war and after the war, it is my earnest hope that the Congress will give these matters full consideration during this session. We must not return to the inequities, insecurity and fears of the past, but ought to move forward toward the promise of the future. When the Congress has agreed on procedures for the consideration of these problems, the executive agencies responsible for the administration of programs in these fields are prepared to provide the Congress with all assistance within their power in devising appropriate ways and means of accomplishing these high purposes.—The President.

The general nature of "these matters" has now been brought to the attention of everyone.

What we should like to know is whether the President does not understand that with each step he would like to take in "these matters," plain, ordinary business becomes less able to provide the jobs and the goods the people need—and with this progressive disability of business to function adequately there inevitably arises more and more pressure for further governmental undertakings?

There can be but one end to such a process—State socialism.

And that would end many things besides this process.

President Offers Congress Post-War Program And Security, Work And Relief System

President Roosevelt submitted to Congress on March 10 two reports of the National Resources Planning Board dealing with post-war development of national resources and social security; the first, designated "National Resources Development—Report for 1943," and the second, entitled "Security, Work and Relief Policies." The President expressed the hope that Congress give these matters "full consideration during this session" because, he said, "of their basic importance to our national welfare during the war and after the war." "We must not," he said, "return to the inequities, insecurity and fears of the past."

The Board's report proposing measures to meet the problems of the transition period from war to peace contained these features, according to the Associated Press:

"Guarantee every man released from armed forces or war plants a job with 'fair pay and working conditions.'

"Continue rationing and other war-time restrictions so long as necessary.

"Give labor 'responsibility in organization and sharing in management.'

"Consolidation of railroads into a limited number of regional systems.

"Government-private partnership in some plants and facilities with Government deciding what concerns should be left operating in such fields as aircraft, shipbuilding, aluminum and magnesium."

The Board's report on plans for the transition period warned that "extremes of hope and fear will inevitably be present," but said that "post-war adjustment plans must head off both 'boom' and depression and substitute orderly gradual progress." Three "essential safeguards of democracy" in any post-war plans were listed as:

"1. Measures to prevent the rise of new industrial oligarchies during the war or during the period of readjustment following the cessation of hostilities, including enforcement of anti-trust laws to break up monopolies and provide opportunities for small business enterprises.

"2. Measures to uphold the right of labor to collective bargaining, fair wages and hours, healthy and effective working conditions, responsibility in organization and sharing in management.

"3. Measures to maintain the fair share of the farmers in the benefits of an expanding economy with opportunity for higher stand- of living and greater security."

The recommendations dealt mainly with the demobilization of men, machines and controls and plans for private enterprise, finance and fiscal policies, and for improvement of physical facilities.

The Board's report for improving the security system listed the following as specific objectives of public-aid policy:

"1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people.

"2. Government provision of work for all adults who are willing and able to work, if private industry is unable to provide employment.

"3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship.

"4. Assurance of basic minimum security through social insurance, so far as possible.

"5. Establishment of a comprehensive underpinning general public-assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity.

"6. Expansion of social services which are essential for the health, welfare and efficiency of the whole population; this expansion should be as wide and as rapid as possible."

The text of the President's message transmitting the Planning Board's reports follows:

"To the Congress of the United States:

"To assist the Congress in the development and consideration of appropriate legislation to achieve normal employment, to give assurance for all our people against common economic hazards and to provide for the development of our national resources, I am transmitting herewith two reports of the National Resources Planning Board.

"The first, 'National Resources Development—Report for 1943,' presents the results to date of the Board's work on post-war plans and a record of wartime planning activities. The Board proposes measures to meet the problems of the transition period from

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From Washington Ahead Of The News

By CARLISLE BARGERON

In the whirligig of Washington these days, its social movements and counter social movements, its struggles for power, the significance of Jimmy Byrnes' activities is becoming more and more pronounced. A few weeks ago your correspondent wrote of the stories being put out by Mr. Roosevelt's friends to the effect that he had figuratively already moved on over to Geneva to take up the Presidency of World Affairs and that Jimmy was the Executive Vice-President of Domestic Affairs.

At the time I thought it was more funny than actual and expressed doubt about the statement that Jimmy was the complete domestic generalissimo. He is still limited in authority and has to out-argue other men in Mr. Roosevelt's counsels to gain his point. But it is a fact that he is being given wide scope in a very definite effort to recapture the Administration for the Democrats. He seems to be making painstaking progress in a program of ridding the town of New Dealers and replacing them with Democrats. Furthermore, he is making progress with Democratic members of Congress in his efforts to convince them that this is his program.

After the November elections these Democrats were openly determined to join with the Republicans in running the New Dealers out. Told that they were making for an overturn in 1944 whereby they would lose their majority party positions, their chairmanships, etc., they unhesitatingly replied: "What the hell do we care, we've held them only as rubber stamps as it is." There were mighty few of them who did not think the jig was up anyway and they wanted to make sure of their own individual skins.

But Jimmy has been doing a

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THE FINANCIAL SITUATION

(Continued from first page)

7. The right to equality before the law, with equal access to justice in fact.

8. The right to education, for work, for citizenship and for personal growth and happiness.

9. The right to rest, recreation and adventure, the opportunity to enjoy and take part in an advancing civilization.

Now the fact of the matter is that this passage is taken word for word, syllable for syllable, letter for letter, comma for comma, from the 1942 Report of the National Resources Planning Board submitted to the President on Dec. 16, 1941, and submitted to Congress on Jan. 14, 1942, with the remark that "in this report the Board outlines some of our major objectives in planning to win the peace." The extract quoted is merely illustrative. Except for the section on "the social securities," the summary of the Board's recommendations could in all major respects have been as well prepared from last year's report as this.

No "Rebellion" Then

Yet last year there was no "rebellion" in Congress, and the public appeared hardly to be aware that the report had been filed. Perhaps peoples' attention was too much centered upon getting ready to fight a desperate war. At any rate, much water has flowed over the dam since then. For one thing, ever since the report last year—and, for that matter, even before that time—there has been a continuous barrage of "planning pamphlets" and other propaganda reprinting and often further embellishing the proposals contained in that report. For the past six months or more various officials, notably the Vice President, have been constantly bombarding the public with doctrines which in effect would apply the same wholly unworkable and highly hazardous principles of this report to international relations. One result has been to arouse Congress and the more alert members of the community generally to the amazing programs being formulated by the dreamers in Washington.

Then came the Budget Message which proposed a vast increase in the funds to be made available to the National Resources Planning Board—and the refusal of the House to permit the item to stand. Finally the President brought the situation to a definite head by re-submitting in effect the proposals of a year ago, and adding to them essentially the recommendation concerning social security which he and his followers have been urging for a good while past.

A New Congress

But the public meanwhile had sent a new Congress to Washington, and that new Congress has balked. The American people may well be thankful, and may well insist that their representatives stand by their guns. Let no one suppose, however, that this report is the be-all and the end-all of the matter. The National Resources Planning Board is, after all, merely a planning organization. It has no power to act. It may only recommend—and propagandize. There are other organizations in Washington which are not only planning post-war policies, but acting in such a way as to tie the hands of objectors. The chief of these are the Board of Economic Warfare and the Lend-Lease organization. Congress has just continued Lend-Lease for another year. It could scarcely avoid doing so. Whatever its merits, this arrangement has now become so interwoven with the prosecution of the war that it was unthinkable to bring it to a sudden end at this critical time. It is, however, well known that this arrangement is "emerging," as the President phrased it, as perhaps the leading instrument for "winning the peace." The idea of its indefinite continuation as an instrument in post-war operations appears to be gaining rather than losing adherents. Some day the public will awake to the fact that we have here a scheme which can be fully as disastrous to us in the international field as the Planning Board's nonsense is in the domestic field. We may only hope that such a day will come before too much damage has been inflicted.

The work of the BEW, as the Board of Economic Warfare is popularly known, is cloaked in great secrecy. An example of its work recently came to the attention of the public when it learned of the large shipments of many vital commodities and articles to Spain. Here is one of the most active, one of the most ambitious, one of the most unrealistic, and one of the dangerous of the war-born organizations in the national capital. Its powers are nearly unlimited. It is under the thumb of the Vice President and the similarly-minded Milo Perkins. It has been granted access to virtually unlimited funds. It has been and is engaged in vast operations, particularly in Latin America, often without much apparent connection with winning the war—unless playing Santa Claus to backward peoples, and some that are not so backward, really helps to win the war. It has already cost us hundreds of millions of dollars which we shall never see again, and it has its eyes admittedly upon post-war as well as war problems.

We should make a serious mistake if we supposed that we should dispose of post-war planning nonsense by squelching the National Resources Planning Board. Congress has apparently reached a point where it is willing to roll up its sleeves and go to work. It has many tasks awaiting it.

The State Of Trade

Reports from most of the heavy industries were favorable the past week. However, carloadings showed a decline of 33,965 cars to 748,890, according to reports filed by the railroads with the Association of American Railroads up to March 6. This was a substantial drop from the previous week; it was 21,595 cars fewer than the corresponding week in 1942 and 6,273 cars above the same period two years ago.

This total was 119.18% of average loadings for the corresponding week of the ten preceding years.

Electrical energy distributed by the electric light and power industry for the week ended March 6 was 3,946,630,000 kwh., an increase of 16.3% over the total of 3,392,121,000 for the like 1942 week, according to the Edison Electric Institute.

Output for the latest reporting week came close to the record total of 3,960,242,000 in the week ended Feb. 6, and was 53,834,000 hours over the preceding week's production of 3,892,796,000.

Consolidated Edison Co. of New York announced output for the week ended March 7 was 169,400,000 kilowatt hours, compared with 157,400,000 for the like 1942 week, an increase of 7.6%.

Steel production is scheduled this week at 99.3% of rated capacity, indicating production of 1,719.500 net tons, compared with 99.1% and output of 1,716,100 tons last week, the American Iron & Steel Institute announced.

Production for the week beginning March 16, 1942, was 1,663,000 tons. Present capacity is 1,731,700 net tons of ingots and castings weekly.

It is said that waning public concern about the iron and steel scrap situation leads steel producers to fear for the success of vital 1943 salvage drives.

Easing of a severe scrap shortage that cost the industry hundreds of thousands of tons of steel in 1942 has created unwarranted optimism over this year's outlook, officials reported.

It is pointed out that while the mills now are better off than at this time a year ago they will need more scrap than ever before to keep their steel-making furnaces at capacity.

Authorities state that this year furnaces may require about 5,000,000 tons more scrap than last year, when approximately 55,000,000 tons were consumed. At least a third of an estimated 60,000,000-ton requirement must come from salvage sources, it is said.

Department store sales on a country-wide basis were up 14% for the week ended March 6, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 29% for the four weeks ended March 6, compared with the same period a year ago.

Department store sales in New York City in the week ended March 13 were 3% larger than in the corresponding week of 1942, according to a preliminary estimate issued by the New York Federal Reserve Bank.

In the previous week, ended March 6, sales of this group of stores had increased 14% over the comparable week of a year ago.

The slackening of retail trade this week narrowed the margin of gains over a year ago, according to the weekly review of Dun & Bradstreet, Inc. Retailers attributed the decrease in buying interest to a combination of factors, including the approaching income-tax deadline, unfavorable weather in many sections of the country and efforts to slow stock-up buying.

Trade increases over a year ago were sharply smaller in all sections of the country, the country-wide average being estimated at 5 to 12%. Regional percentage increases were estimated as New England, 5 to 7%; East, 4 to 6; Mid-West, 6 to 12; South, 9 to 14; Southwest, 14 to 20; Northwest, 6 to 8, and Pacific Coast, 11 to 16%.

Farm income rose to a new high level in 1942 under the impetus of a record demand for farm products and unusually favorable growing conditions, the Department of Agriculture announced.

A preliminary review of the data available on farm income and expenditures during 1942 indicates that the net return to farm operators for their labor, capital investment, and management, and for other unpaid family labor, was about $10,200,000,000 in 1942. In 1941 the net return to farmers was estimated at $6,748,000,000. The previous record net income, in 1919, amounted to $8,799,000,000.

Although total income from farm marketings in 1942 was substantially higher than in any previous year, returns from crops, $6,484,000,000, were smaller than in each of the three years from 1918 to 1920. In 1919 income from crops totaled $7,674,000,000.

Wage & Salary Orders Subject Of NYU Forum

Officials of the War Labor Board will participate in a four-day Institute on Wage and Salary Stabilization which will be conducted from March 22 to March 25 by the New York University War Training Center at Washington Square for employers, employees, trade union representatives, accountants, lawyers, and teachers.

Purpose of the Institute, according to Prof. Paul A. McGhee, Director of the Center, will be to provide a clearer understanding of the issues involved in wage and salary stabilization "so that misinterpretation by an employer or agent of the Executive Orders and the Regulations issued thereunder may not lead to illegal actions and consequently to the imposition of substantial penalties." Prof. McGhee pointed out that emphasis will be on specific problems facing employers and employees seeking approval of wage or salary revisions.

Dr. Emanuel Stein, acting director of the University's Graduate Division for Training in Public Service and a member of the staff of the Division of Review and Analysis of the Regional War Labor Board, will be permanent chairman of the Institute.

Lecture sessions will be held at the Center from 4 to 6 p.m. each day. In addition, the Institute will include dinner sessions on March 23 and March 24 at the University's Faculty Club, 22 Washington Square North. Dr. Stein will preside at the dinner forums.

Hemingway Urges Banks to Support Govt's War Financing Drive

Member institutions of the American Bankers Association are urged by A. B. A. President W. L. Hemingway to lend their assistance to the War Finance committees in their local areas in selling Government securities to the public during the April financing drive of the Treasury Department, in a letter sent to the membership on March 5. Mr. Hemingway urged that the banks "lend every assistance to the War Financing committees to make the next campaign a big success." He pointed out that after every effort had been made to distribute bonds to the public the banks will be called upon to purchase securities for their own investment and suggested that every bank determine its share of this load.

In his letter asking the banks to get behind the April war financing drive, Mr. Hemingway took cognizance of the action of the Department of Agriculture in reviving the Regional Agricultural Credit Corporation as an additional Government agency to compete with country banks. "No war has ever been fought perfectly," he said. He added:

"Mistakes are made, but men in the armed services never stop fighting. So it should be with us. I think the Department of Agriculture made a mistake in reviving the RACC. Its program is both stupid and unfair. As you know, the Association is fighting this proposal. We will continue to fight to the end. The mistake of one department, however, cannot diminish our loyalty to our Government in time of war. Let's roll up our sleeves and do our job at home as well as our boys on ship and shore are doing theirs."

This letter of Mr. Hemingway's is the opening gun in the program of the A. B. A. for the April Treasury war bond drive. The Association's Economic Policy Commission will follow up with a report on Government financing on March 15, and a sales manual now in preparation will be sent to the banks about March 25. Other material will be supplied.

Financial Libraries Revise Service List

An up-to-date supplement to the "Handbook of Commercial and Financial Services" containing both additions and changes will be issued in the near future by the National Financial Group of the Special Libraries Association. The Revision Committee is headed by Walter Hausdorfer, Librarian, School of Business Library of Columbia University, New York City.

The Handbook issued in 1939 will still be the basic volume, but because of the national emergency and the wider scope of Government regulations which have caused changes in existing services and the establishment of many new services, it was thought advisable to issue a more up-to-date listing.

The Supplement, it is said, will probably follow the general outline of the Handbook in arranging its entries alphabetically and including a subject index. Anyone wishing to find, for instance, a description of various services devoted to the subject of banking, railroad finance, or tax laws, will have only to consult the subject index to find the desired pages. The word "service" is defined as "that information collected by individuals or companies who make a business of compiling and publishing for general distribution data and statistics on given subjects and keep this information up to date by regularly revised and supplemental data."

Editorial—

"Social Insurance And Allied Services"*

By W. C. BETTS

The announcement that Sir William Beveridge is on the way to America, to visit the White House, will revive interest in his Report on "Social Insurance and Allied Services."

Recent cables told us that it has met with a varied reception by political groups in Britain. The "Plan" was originally intended to be in operation by July 1, 1944. One cannot avoid comparing it with the Report of the National Resources Planning Board, which came out a week ago.

* * * *

"For every recommendation and every word in the Report," says Sir William Beveridge, he is "alone responsible." Anyone who has studied its 172 pages (and 120 more of Appendices and Statistics) will see in the material disclosed a most impressive review of social conditions in Britain. Sir William says himself that "the scheme he proposes is in some ways a revolution, but in more important ways it is a natural development from the past. It is a British revolution."

* * * *

First and foremost, it is a plan of **Insurance**, whereby in return for contributions made by all men, women and children (above 16) they shall receive, as a right, benefits which seek to prevent them from sinking beneath a set **subsistence level.**

This form of social insurance aims at guaranteeing to every one gainfully employed, the minimum income needed for subsistence, and to provide such income, whenever earnings cease, from a State Fund created by the **obligatory** weekly payment of premiums, by employers and workers, and by the State. (This obligatory insurance, however, may be supplemented by certain forms of insurance, procured from private channels, by any one wishing to do so.)

The entire population, regardless of income-size or occupation, will fall into one of six classes, namely:

1. Those normally employed under contract of service.
2. Others gainfully employed, including employers, traders, and independent workers of all kinds.
3. Housewives, i.e., married women of working age.
4. Others of working age, not gainfully occupied.
5. Below working age.
6. Retired above working age.

Benefits which, as an example, will be insured to a man in, say, Class 1, include: Retirement Pensions; Widow's and Guardian Benefits; Unemployment Benefits; Disability Benefits; Industrial Disability Benefits; Maternity Grant and Benefit; Funeral Grant.

The proposed rates of contribution per week, for these benefits, will total 103.2 pence, including an administration cost of 4.9 pence. (One penny—plural, pence—now equals 1.68 cents.) The total of 103.2 pence will come from: the insured man 41.3, the employer 38.4, the State 23.5. (Or, in percentages, 40, 37, 23.)

A woman, also in Class 1, would get the same benefits (less widow's and guardian benefits, but plus marriage grants) for a total contribution of 81.6 pence, contributed as to 34.1 pence by the woman, 30 pence by the employer, and 17.5 pence by the State. (In percentages, 39, 34, 27.)

These weekly contributions would be made in the shape of stamps, attached by the insured person to a single document, covering all forms of insurance.

* * * *

As to benefits, limitations of space preclude giving more than a few illustrative figures for males in Class 1, namely:

Retirement pension, at age 65, single	$4.85	weekly
Unemployment, and disability benefits:		
If single	4.85	"
If married	8.08	"
Widow's Benefit: if under 60, 13 weeks	7.27	"
Industrial Pensions, if inability to work was caused by an accident:		
For first thirteen weeks, single	4.85	"
For first thirteen weeks, married	8.08	"
Thereafter, up to	12.12	"
Funeral grant, age 21, payable to the person defraying cost of funeral	80.80	(once)

These benefits and grants are illustrations, only, of what is covered by the all-inclusive weekly premium of 69.4 cents. There are sundry further benefits such as allowances for dependents, medical attendance, etc.

During unemployment, benefits are payable for indefinite periods, regardless of the possession of means, or savings by the insured. For those whose occupation may preclude the chance of re-employment at the former trade, after a certain period, benefits are payable subject to attendance at a work or training centre.

It is claimed for the Plan that it will provide all that is now available in the shape of benefits, and more. Premium rates will be the same for all trades, regardless of the hazards of the industry. (But if extra-hazardous, subject to a special levy on the employer.) Also, anomalies and overlapping, multiplicity of agencies, and needless administrative cost will be removed and replaced by co-ordination, simplicity and economy.

While the Ministry of Social Security will administer the Fund, local authorities will be available for all local services, within easy reach of all insured persons.

Insurance now provided by certain Friendly (Benevolent) Societies will be superseded. So will the present scheme of Workmen's Compensation Insurance. Also, it is proposed that Industrial Life insurance be taken over by a special Board which would issue policies up to £300 ($1,212). Private Life companies would be allowed to issue policies in larger sums. Their existing staffs and collectors would be taken over on reasonable terms, as far as needed. Their shareholders would be indemnified.

* * * *

Such, in outline, are the most important of some (23) changes in the achievements of the past. It must be emphasized that the Plan, based on a State Fund, is above all one of **compulsory insurance** providing a flat rate of benefits, regardless of earnings, in return for a flat rate of contribution by all (differentiated through six classes into which the population falls).

The Administration of the Fund is not to be centralized, but carried out through regional and local officers, and representatives of the communities served. It retains the association of Friendly Societies with Health Insurance; and entrusts to Local Authorities the provision of institutions of welfare, and their maintenance and organization. Service such as the visiting of the sick, and provision of nurses, as now performed by Friendly Societies and Trade Unions, possibly may be retained in connection with the general plan of national security insurance.

Supplementing these main features of the Social Insurance Plan we find "Allied Services"—Children's Allowances, Health and Rehabilitation Services, etc.—into which we can not enter now. It is estimated that the total expenditure for this entire program of Social Security (including administration) will amount to:

	In 1945	In 1965
Total Social Insurance	£367,000,000	£553,000,000
Total Allied Services	330,000,000	305,000,000
Totals	£697,000,000	£958,000,000

(£1 equals $4.04)

The difference between the cost in 1945 and 1965, is explained by the increase in the cost of providing Retirement Pensions. This reflects the growing number of retiring pensioners in the population and the proposed gradual increase (every two years) in the amounts of the pensions.

These estimates do not represent **new** expenditures for Social Insurance and Allied Services: in the first year, the "net addition to the burden on the National Exchequer, as compared with the expenditure under the existing arrangements, will be about £86,000,000." (About $347,000,000.) This includes administration cost.

Thus, the fiscal argument in favor of the proposed plan boils down to this: the entire population is to be furnished various forms of insurance and services, to an extent either greater than are now being enjoyed by some of the population, or not enjoyed at all. In all cases, the extra cost to the population would furnish direct benefits substantially greater than it now enjoys, and at a relatively lower rate of contribution per inhabitant. This can be done, it is contended, because the State can and will remove existing anomalies and overlapping, the multiplicity of agencies, and reduce cost of administration. "This conclusion rests not on any denial of any good in the present system, but on the possibility of replacing it by a better system. Neither in this, nor any other field should the good be allowed to be the enemy of the better."

* * * *

Every assertion made is buttressed in most cases by comprehensive material intended to justify the claims presented and recommendations made.

As an illustration, consider the manner of justifying the advocacy of the removal of Workmen's Compensation Insurance from the field of private operation—certainly a breath-bereaving project! After reviewing the history of this form of insurance, it presents evidence of the following "disadvantages" and others, said to have grown up under the present system of providing against industrial accidents or diseases:

1. The present system in the last resort rests upon the threat or practice of litigation. Disputes are generally settled by formal proceedings in the courts.
2. The claimant feels that he is subjected to improper pressure to reduce his claim, to accept an unfair lump settlement, to go back to light work which is not beneficial or for which he is unfit.
3. The employer may be inadequately insured, and the claimant may thereby suffer.
4. Allowances for disability are often inadequate, specially during prolonged litigation. In the process of bargaining for a lump sum settlement, the claimant is deterred from taking any form of work, lest he prejudice his bargain.
5. Demarcation disputes are inevitable.
6. Workmen's Compensation costs more than need be—substantially more than under any form of compulsory State insurance.
7. The onset of industrial disease is often gradual. With successive employers, it is often hard to know who is liable for the disease or injury. Workers who show signs of industrial disease run the risk of discharge.
8. For many employees, insurance is hard to obtain at all, or at rates which work a hardship on the employer.
9. Promotion of safety regulations against accidents have been left largely to individual initiative, often with indifferent results. Industrial diseases have been inadequately combated. Rehabilitation measures have been neglected.

These are the quintessence of some reasons given for the recommendation that the present system of Workmen's Compensation Insurance be taken out of the hands of private companies.

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While the report recommends the conversion of the business of industrial life insurance into a public service under a special Industrial Life Assurance Board, this feature is not considered a prerequisite to the "Plan's" success. The "principal defects" of the present system are set forth in such detail that they do not lend themselves to laconic presentation. (Many of these were presented in the Temporary National Economic Committee's investigation in this country a few years ago.)

The magnitude of this change in Britain may be gauged from some figures presented: In 1939, there were 103,000,000 industrial life policies in force; 65,000 full-time collectors, besides several thousand part-time. Premiums received were over £74,000,000; expenses of management nearly £24,000,000; dividends to shareholders nearly £1,750,000 after payment of £1,600,000 income tax. In addition to the premiums, about £20,000,000 was received as "interest" on "accumulations of earlier premiums."

Since compulsory funeral grants are definitely an integral part of the "Plan," and the recommendation is made that all industrial life insurance up to £300 be transferred to the State, companies transacting this class of business in this country will doubtless give thought to what may be advocated here, also, when, as and if the Beveridge report has been translated into action.

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* The Macmillan Company. New York. Price, One Dollar.

New Type House Seen For Post-War Building

Suggesting the possibility that if the war is of short duration, the nation will have in the next decade the largest number of couples with children the country has seen since 1910, Arthur F. Schuberth, Chicago, of the Illinois Association of Certified Real Estate Appraisers and Cooper, Kanaley & Co., said on Feb. 27 that we may have the largest building program after the war any country has ever known, and even though the Government decides to prorate it on a yearly per capita basis it is doubtful whether it can be controlled, particularly during the first few post-war years. Mr. Schuberth spoke at the War and Post War Clinic of the Mortgage Bankers Association of America at Chicago on Feb. 27 on the type of rental units most likely to be built after the war.

"Not many of the 'imaginings' of the present crop of planners will immediately come to pass," Mr. Schuberth said in discussing the long-range view, adding that the future is dependent not so much on the type of physical structure we build as the type of tenant we build for.

Among the expectations of the future he listed much more sensible codes decreasing neighborhood obsolescence and construction costs and a gradual diminution of the "rentier" class, those who live off rental and unearned income. Another will be the effect of prefabrication—that is, the use of standardized interchangeable parts which will result in giving all houses of the future that item practically absent now — interior flexibility. With prefabrication, the houses, whether single-family or multi-unit, can be cheaply and easily altered from time to time to suit changing needs. Thus obsolescence and physical depreciation will be slowed.

As to who the nation will build new houses for in the future, Mr. Schuberth said past building programs largely represented the development of vacant land by speculators but that site and city planning will be increasingly important in the future. "Long-term amortized loans, yes even longer than 20 years, may be considered sound—and why not, if buildings properly built and designed in communities protected from blight can easily have an economic life of two or three times 20 years?"

According to Mr Schuberth, one important development in the housing field that may occur is some sort of mutual cooperative plan, but it will not be similar to the cooperative apartments of the twenties. These, he said, failed because they were primarily built for promotion profits and not for mutual interests and were practically all built for the higher-income groups. A type of housing of this kind that may become popular is the row-type house. This type of building, with its obvious economies of construction, may be the answer to providing new shelter for the greatest mass market. As to this market, he said:

"We will find our largest market among the same type of persons who today are earning from $2,000 to $3,600 per year but who actually have purchasable incomes of from $1,700 to $2,800 per year. These families, because of necessity, will only be able to spend from 25% to 30% of their net income or from $500 to $700 for shelter. With present costs of new building and operating costs it will be impossible to build new housing units for them."

House Nullifies Salary Limit Order; Disregards President's War Supertax Plan

By a vote of 268 to 129, the House on March 12 passed the legislation repealing President Roosevelt's $25,000 salary limitation order and substituting a more liberal Congressional limitation on salaries.

The bill, providing a method of salary "limitation by law rather than by directive," would freeze high salaries at their Dec. 7, 1941, level and prohibit salary increases to a point above $25,000 after Federal taxes. This measure, sponsored by Represented Disney (Dem., Okla.), is an amendment to the bill raising the debt limit from $125,000,000,000 to $210,000,000,000.

The passage of the bill on March 12 came after an attempt by the Administration to have the Disney "rider" to the debt bill eliminated was defeated by a vote of 212 to 145. Other amendments were also voted down, including one to recommit the measure to the Ways and Means Committee.

The Senate Finance Committee at a meeting on March 16 voted to amend the House version of the bill by approving its own salary-limit formula. Under the Senate group's plan, the President would be prevented from reducing salary below the highest level existing between Jan. 1 and Sept. 15, 1942. A sub-group was named to work out this plan.

The House Ways and Means Committee had favorably reported the salary repealer—debt limitation bill on Feb. 25, after refusing to consider President Roosevelt's alternative plan of levying a special war supertax.

In its formal report, the House Committee asserted that "it was never the intent of Congress in either of the anti-inflation bills to give the President authority to issue the executive order of Oct. 3, 1942, but it is evident that the intent of Congress was to the contrary."

The report of the House Committee said that the new method "does not admit of confiscation or liquidation of incomes. This provision offers an orderly, legal process."

The President, in a letter to Chairman Doughton of the Committee, recommended on Feb. 17 that, before Congress rescinds his $25,000 salary limitation order, a supertax be imposed to limit all wartime income, however derived, to $25,000 for single persons and $50,000 for married couples, after taxes. As an alternative to a Treasury proposal for a flat 100% supertax on excess income, Mr. Roosevelt proposed that the tax range from 50% to 90%.

However, the House Committee had already (Feb. 13) voted 15 to 10 for the Disney proposal and refused to reconsider this decision in the light of the President's views.

Under the Disney plan, salaries below the $25,000 net limit before the Pearl Harbor date would be permitted to rise subject to restrictions that the Treasury could disallow the increase if it is unreasonable and would cause the compensation to exceed $67,200, or $25,000 net.

The "compromise" Disney proposal was accepted after the Committee voted down an amendment by Representative Gearhart (Rep., Cal.) which only provided for outright repeal of the salary limitation order.

The action was called "a revolt against government by directive" by Representative Disney. The new salary policy would be retroactive to Oct. 2, 1942, the date of final enactment of the amended Emergency Price Control Act of 1942. It was under the wage and salary provisions of this act that the President last October issued his salary limitation order after the Congress had rejected previous requests for such a limit.

The House Committee had twice previously (Jan. 29 and Feb. 6) postponed consideration of the debt-limit bill with its salary "rider" in order to permit the President to voice his position in the matter. Mr. Roosevelt wrote to Representative Doughton on Feb. 5 expressing the hope that Congress would pass the debt-limit measure without unrelated amendments. He offered, at the same time, to submit his views "as to the merits" of the salary proposal but his letter to Mr. Doughton was not received until after the Committe had taken its position in the matter.

The Senate Finance Committee voted favorably on January 29 on the bill raising the debt limit to $210,000,000,000 but delayed reporting the measure, pending the outcome of the controversy in the House Committee. It is believed that the Senate group will now reconsider the bill to make it similar to the House measure.

The bills to increase the national debt limit from $125,000,000,000 to $210,000,000,000 were introduced in Congress on Jan. 25 by Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, and Representative Doughton. However, the Committee-approved House bill now includes the new salary policy.

The $210,000,000,000 limit is based on the President's budget message in which he estimated the debt would approximate this figure by June 30, 1944, the end of the next fiscal year.

In introducing his bill Senator George called the attention of the Senate to two additional sections of the legislation, as follows:

"The first section would give to the Secretary of the Treasury the power and authority to permit payments in connection with the redemption of savings bonds to be made by incorporated banks and trust companies; and the second section would authorize and permit the Secretary of the Treasury to pay losses resulting from payments made in connection with redemption of savings bonds out of the fund established by the Government Losses in Shipment Act, as amended."

With respect to this first section, the House Committee, in reporting the bill, said as bond sales increase "it is natural to assume the volume of normal redemptions will increase in proportion" and it is necessary to provide facilities so there will be no undue delays in the redemption process.

Savings bonds now may be redeemed only at the Treasury Department or at Federal Reserve banks.

The text of the President's letter to Mr. Doughton follows:

Some days ago you wrote me that there was a proposal before your Committee to amend the Public Debt Bill by adding a provision nullifying the executive order issued by me under the act of Oct. 2, 1942, limiting salaries to $25,000 after taxes, and asked if I cared to submit any views with references to the proposal. In reply I told you that I hoped the Public Debt Bill could be passed without adding amendments not related to the subject, but that if the Committee thought otherwise I would later write you my views.

In a message to the Congress on April 27, 1942, I stated:

"* * * Discrepancies between low personal incomes and very high personal incomes should be lessened; and I therefore believe that in time of this grave national danger, when all excess income should go to win the war, no American citizen ought to have a net income, after he has paid his taxes, of more than $25,000 a year."

Thereafter the Treasury advised the Committee: "To implement the President's proposal, the Treasury now recommends the enactment of a 100% war supertax on that part of the net income after regular income tax which exceeds a personal exemption of $25,000. * * * It is recommended that for the purpose of the supertax, joint returns be made mandatory and that a personal exemption of $25,000 for each spouse be allowed, or in effect $50,000 for the married couple."

So far as I know, neither House of the Congress acted upon the recommendation.

When the act of Oct. 2, 1942, was passed, it authorized me to adjust wages or salaries whenever I found it necessary "to correct gross inequities and also aid in the effective prosecution of the war." Pursuant to this authority, I issued an executive order in which, among other things, it was provided that in order to correct gross inequities and to provide for greater equality in contributing to the war effort no salary should be authorized to the extent that it exceeds $25,000 net after the payment of taxes. Provision was made for certain allowances in order to prevent undue hardships.

The legality of the executive order was attested by the Attorney General prior to its issuance. No executive order is issued without such approval.

The regulation issued under this order with my approval was so worded that it affected only gross salaries in excess of $67,200, the amount of taxes due upon such salaries reducing them to approximately $25,000 net. I could not exercise the discretion vested in me by the Congress to adjust salaries without finding that it is a gross inequity in wartime to permit one man to receive a salary in excess of $67,200 a year while the Government is drafting another man and requiring him to serve with the armed forces for $600 per year.

I believed it a gross inequity for the president of a corporation engaged in the production of materials for the Government to receive a salary and bonus of $500,000 a year while the workers in the corporation were denied an increase in wages under the provisions of the law and by Executive Order. The correction of such inequities, I believed, would aid in the effective prosecution of the war.

I call your attention to the fact that the limitation of salaries was, by the language of the order, limited to the war period, and that the law upon which the order was based expires June 30, 1944, and can be continued only by the affirmative action of the Congress. Therefore no fair argument can be made that the limitation was intended either by the Congress or by the Executive to become permanent law. The intention was made plain in my original message. I then and there affirmed my belief that this limitation should be made "in time of this grave national danger when all excess income should go to win the war."

This desire to limit personal profits during wartime is no new thought. Its origin is neither alien nor obscure. It is in accord with the solemn pledges of the Republican Party and the Democratic Party.

In 1924, just after our soldiers had returned from the First World War and the leaders of both parties were conscious of the views of the returning soldiers as to war profiteering, the Republican Party declared in its platform:

"We believe that in time of war the nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President be empowered to draft such material resources and such services as may be required and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity."

The Democratic Party platform the same year solemnly pledged:

"In the event of war in which the manpower of the nation is drafted, all other resources should likewise be drafted. This will tend to discourage war by depriving it of its profits."

I repeat, this was in 1924, not 1928, and that these were the platforms of the Republican and Democratic Parties.

I agree with those who say that the limitation of salaries does not deal adequately with the problem of excessive personal profits and that the limitation should extend to all income. My executive order endeavored to correct the inequity to the extent of the power granted me. The Congress can, however, make the limitation adequate by extending it to the coupon clipper as well as the man who earns the salary.

Therefore, I urge the Congress to levy a special war supertax on net income from whatever source derived (including income from tax-exempt securities), which, after payment of regular income taxes, exceeds $25,000 in the case of a single person and $50,000 in the case of a married couple.

If the Congress does not approve the recommendation submitted by the Treasury last June that a flat 100% supertax be imposed on such excess incomes, then I hope the Congress will provide a minimum tax of 50%, with steeply graduated rates as high as 90%. The exact amount of the exemptions to be allowed and the exact rate of taxation to be applied are necessarily arbitrary, and these are matters the Congress must decide.

If taxes are levied which substantially accomplish the purpose I have indicated, either in a separate bill or in the general revenue bill you are considering, I shall immediately rescind the section of the executive order in question. The Congress may appropriately provide that such taxes should take the place of the $25,000 limitation imposed by executive order.

I trust, however, that without such tax levies the Congress will not rescind the limitation and permit the existence of inequities that seriously affect the morale of soldiers and sailors, farmers and workers, imperiling efforts to stabilize wages and prices, and thereby impairing the effective prosecution of the war.

Return To Economics Of Opportunity Is Advocated By Arnold

A return to the old economics of opportunity instead of being obsessed with the idea of security was called for by Thurman Arnold in a recent speech before the Economic Club of New York.

Mr. Arnold, Assistant Attorney General in charge of anti-trust violations, has been nominated to be an Associate Justice of the United States Court of Appeals for the District of Columbia.

The following regarding his talk was reported in the New York "Sun" of Feb. 26:

"For the past ten or twenty years, and I don't blame this on the Democrats because I have heard more of it from Republicans and business men than any other source, we have been obsessed with the economics of security.

"We have been thinking of stabilizing profits, keeping a fool from losing his money, social security, ironing out depressions, creating a situation where anybody who remained sober and didn't run off with somebody else's wife was assured of a comfortable old age," he continued.

"I am not opposed to any of these methods of social security or humanitarian measures. I only say that if your whole thinking is obsessed with the idea of security, the same thing will happen to your industrial structure that happened to the French Army that was obsessed with the idea of the Maginot Line.

"We must get back to the old economics of opportunity, of taking a chance, which made America great, and I think this war is going to do it for us.

"Providing we lose our illusions of the benefits of stability and security and are willing to take a chance on our capitalistic system, full production will in itself bring about solutions of the problems of distribution, as it did in the automobile industry.

"The only thing we need to get over is our fear of full production—our idea that wealth consists of sitting in a position where you can collect money by restricting production. I think the labor monopoly is really a product of the industrial monopoly. Give me a competitive industry, with full production, and I think the labor monopoly will disappear.

"Labor should be restricted to its legitimate aims and not be allowed to prevent the use of machinery or compel useless and unnecessary work. That issue has been decided by the Supreme Court, but I think the pressures of this war are going to cure that labor problem."

Latin America To Join In Export Plan

The Board of Economic Warfare at Washington formally announced on March 7 adoption of a plan whereby the other American governments are to cooperate in selection of United States exports of commercial goods southward in the hemisphere. According to Associated Press advices from Washington, the plan was officially described as designed to decentralize export controls with the view of bringing about closer correlation of available cargo space and essential supplies.

Under the plan the release of United States goods for export to the other Americas is to follow this new procedure, said the press advices from which we quote:

"In each of the other Americas a new local governmental agency is to be set up to receive requests from importers for authorization to obtain goods from the United States.

"Such requests are to be checked and recommended by the new agency in each country before they are forwarded to the Board of Economic Warfare in Washington for further check and final decision."

It was further reported that the announcement stated that the new system is already operative in Brazil and Argentina, and agreed to in all of the other American Republics except Cuba, Haiti, Chile and the Dominican Republic where negotiations were said to be under way.

Barnes Named Aide To FDR

James M. Barnes, former Democratic Congressman from Illinois, has been named an administrative assistant to President Roosevelt, the White House announced on March 4. Mr. Barnes, who was defeated in the November election by Representative Simpson (Rep., Ill.), will receive $10,000 a year in his new position.

Under an Act of Congress, the President is permitted to have six administrative assistants.

M. S. Eccles Proposes 30% Withholding Tax; Taxes, Savings Should Equal Half Expenditure

The assertion that "we should aim at raising taxes and compulsory savings, equal to at least half of our expenditures" was made on March 11 by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in an address before the Central States Group of the Investment Bankers' Association of America in Chicago. Mr. Eccles went on to say that "as much as possible of our remaining requirements should come from borrowing from the public, thus reducing to a minimum reliance upon borrowings from the banks. I believe that without further delay Congress should authorize a withholding tax on all income in excess of the income tax exemptions, the withholding tax to amount to 25% if the Victory tax is retained. I think it would be preferable to repeal the Victory tax and make the withholding rate 30%, some part of which, possibly 5%, might be refundable after the war. Such a withholding at the source would not only collect funds before they reach the inflation stream and channel them immediately into the Treasury, but it would insure collection of taxes that are likely otherwise to escape altogether. The adoption of a high withholding rate would require some form of pay-as-you-go plan."

Mr. Eccles further declared:

"We must have another general revision of the revenue laws as soon as practicable, and tax rates must be further increased, particularly for the lower and middle income groups where the great increase in purchasing power has developed. Various remaining loopholes need to be closed. Imposition of the withholding tax, however, can be accomplished promptly without waiting for a general revision.

"If we fail to absorb enough spending power through the medium of income taxes, based as they are on ability to pay—if we are not willing to impose income taxes comparable to those in Canada and Great Britain—then I can see no practical alternative except resort to the sales tax which can best be applied at the retail level. It has been estimated that an 11% rate might be expected to yield about $5,000,000,000 if food and other items are not exempted.

"While I realize how difficult it would be to gain a general acceptance of the idea, it would be to the interest of labor if all who receive additional half-time or premium pay for the hours worked above the 40-hour week were to accept that premium pay in the form of a post-war credit instead of in dollars that only go to swell the spending stream and thus run the risk of losing their buying power.

"Much can be done in this fight on inflation on the production side. For, of course, if production of goods and services were able to keep up with rising supplies of purchasing power, there would be no inflationary problem. We cannot profess to be making an all-out effort unless we all work much longer and harder, unless we avoid absenteeism as well as strikes and other interruptions of the flow of production.

"Indeed, if we are to face up to this situation as realistically as we should, we must not only pay far heavier taxes, buy more war bonds, work longer hours, abstain from increased pay, prices and profits, submit to more and more rationing and price controls—in short, we must not only have much more of these things of which we are prone to complain, but we must consider additional measures and techniques demanded by the unprecedented problems resulting from this unprecedented war. I can see no logical reason why, when we are all engaged in this life and death struggle, we should not all be subject to draft and assignment to the duties we can best perform; those on the home front just as much as those on the battle front. . . .

"Inflation cannot be controlled either now or after the war by a restrictive monetary policy. That would serve only to demoralize the Government bond market. The deficit is the basic source of the inflation danger which we face today, and the danger is magnified to the extent that Congress fails to provide for taxes, savings, and other measures that will help to close the enormous gap between what is being poured out to pay for the war and what is being pulled back in taxes and savings out of this inflationary stream. That gap is widened every time wages, salaries, farm prices and profits are boosted. If anybody is to have pay increases, let's provide them for the men on the firing line and their families—they are not organized into pressure groups, and they are the ones who are making the greatest sacrifices."

Earlier in his remarks Mr. Eccles stated that "while we are doing our utmost to draw off the surplus of purchasing power from the market places, while we are doing all we can to bring about a fair distribution of the goods available for the civilian population, we must exert every possible means of preventing this tide of purchasing power from reaching ever greater dimensions." "That means," he said, "that wages, salaries, farm prices, profits, cannot be permitted to go on rising." In part, Mr. Eccles further said:

"To the extent that we succeed in drawing the existing supply of money into the war effort, it is unnecessary to go to the banks and create new supplies of money. Conversely, to the extent that we fail to draw off the overabundance of buying power in taxes and savings, the more we have to turn to the inflationary process of bank financing and creation of new supplies of money, a process that for some strange reason does not seem to excite some of our economists as much as the question of the form in which our currency is printed. Yet, the real danger lies in multiplying the money supply represented in bank deposits and not in the form of words that happen to be engraved on the pieces of paper we use for pocket money. The supply of pocket money is trifling in comparison with the supply of bank deposits which the public could, if it wished, convert into currency.

"While we all recognize that the transition from a low tax to a high tax country cannot be made overnight, and that allowance must be made for the fact that we came into the war later than our principal Allies, nevertheless, our record in levying taxes and channeling savings, first into our relatively small defense program, then into our very large war program, suffers badly by comparison.

* * *

"If we fail to tax sufficiently, if we fail to divert much more of the current income of the public into the war effort, both through taxes and savings, if we do not rely much less upon creating new money supplies through bank borrowing, we will have sown an economic whirlwind. Its shadow will be seen in the figures of public debt and money supply expanded to explosive proportions. Its effects will be felt by every one of us, most of all by the workers and farmers who make up the vast majority of our people. Any such betrayal of them, of all of our armed forces, because we lacked the courage and the leadership to impose taxes and other restraints would, with justice, recoil upon all of us who have responsibility in any degree for formulating and gaining public acceptance of measures necessary to protect the economic front."

In conclusion, Mr. Eccles said:

"But let us not fool ourselves that we are helping to win this war or to protect this nation by a blind scramble for more pay and profits in this critical hour. We cannot get rich out of this war. We cannot have victory and soft living. The enslaved peoples of this world who look to us for deliverance will not be heartened unless we set a far better example of self-sacrifice and national conscience than we have so far displayed."

February Business Failures Again Lower

February business failures follow the trend of previous months and are smaller than in January as well as being below those of February, 1942, both as to the number of liabilities and the amount involved. Business insolvencies in February, according to Dun & Bradstreet, Inc., totaled 422 and involved $4,163,000 liabilities as compared with 458 involving $5,515,000 in January, 1943, and 916 involving $9,631,000 in February, 1942.

The falling off in the number of failures in February from January took place in all of the divisions of trade that the report is divided into, with the exception of the wholesale group, which was larger and, the Commercial Service group, which was the same. When the amount of the liabilities is taken into consideration, all of the groups, without exception, had a smaller amount of liabilities in February than in January.

Manufacturing failures last month numbered 67, involving $1,342,000 liabilities, compared with 79 in January with $2,249,000 liabilities. Wholesale failures increased to 34 with $329,000 liabilities, from 31 with $372,000 in January. In the retail trade section insolvencies declined to 255 from 267 in January and liabilities dropped to $1,782,000 from $1,800,000 the previous month. Construction failures numbered 38 with $379,000 liabilities, which compares with 53 with $698,000 liabilities in January. Commercial Service failures numbered 28, the same as in January, but liabilities decreased to $331,000 in February from $396,000 in January.

When the country is divided into Federal Reserve Districts it is seen that eight districts had fewer insolvencies in February than in January, while the Cleveland, St. Louis, Dallas and San Francisco Reserve Districts had more. When the amount of liabilities is considered, seven districts had smaller liabilities in February than in January, while the Philadelphia, Cleveland, St. Louis, Dallas and San Francisco Reserve Districts had more liabilities involved last month than in the previous month. It is also worthy of note that the Minneapolis Reserve District had only one failure that involved only $2,000 in liabilities in the month of February.

Chicago Real Estate In Strong Position

The strong position of the Chicago real estate market is indicated by the extremely favorable foreclosure situation which exists at the present time, according to Arthur C. Marriott, Vice-President of the Chicago Title & Trust Co. It is noted that in the month of February only 50 foreclosure suits were filed in Cook County for a total amount of but $354,773. This is a decline in number from the corresponding month of last year of over 52% and in amount of nearly 70%. Both the number and the amount of foreclosures for February were the lowest of any month since the Title & Trust Co. has kept foreclosure records.

Country Is Awakening To Realization That Free Enterprise Can Be Destroyed: Montague

An awakening by the country and the Congress "to the realization that free enterprise can be destroyed by measures put forward on the pretext of preserving," it was hailed by Gilbert H. Montague, of the New York Bar, on March 9 in an address before the Connecticut Economic Council, Inc., at Hartford.

Warning that "each new curb on free enterprise is put forward in the guise of a new device for helping it," Mr. Montague urged that free enterprise be defended against such measures. He added that "free enterprise need not fear its enemies, if it can only protect itself against some of its professed friends."

Mr. Montague further declared:

"Anti-trust laws were enacted on the assurance that they would help free enterprise. They now invite labor racketeering, threaten fields of business now thoroughly regulated by the States, and forbid many group activities, patent arrangements and business plans that might enable small producers, manufacturers, distributors and retailers to compete more efficiently against their larger rivals.

"Statutes enacted in the past 10 years regarding labor relations, corporate finance and social security, and more recently the statutes and executive orders dealing with the present war emergency, though they may have been necessary as war measures, have nevertheless imposed prohibitions, procedures and record-keeping that are proportionately more burdensome to small business than to big business, and have thus imposed additional curbs on free enterprise.

"American economic life today is dominated by war agencies, such as War Production Board, Office of Price Administration, War Labor Board, Office of Economic Stabilization, Office of Economic Management, Office of Defense Transportation, Board of Economic Warfare, War Manpower Commission, Petroleum Coordinator for War, Office of War Information, Office of Censorship, and many others.

"Unlike peace-time agencies, such as Federal Reserve Board, Securities and Exchange Commission, National Labor Relations Board, and many others, most war agencies were originally created by executive order of the President instead of by Act of Congress.

"No one believes that Congress could ever have been induced to pass an Act conferring upon the President or the War Labor Board any such powers and jurisdiction as the Board now asserts and exercises under the executive order of the President.

* * *

"By executive order and administrative regulations, the Government is now doing what Congress expressly declined to do, and is limiting salaries of business executives and employees to $25,000 net after taxes.

* * *

"This salary limitation order affects only a few hundred business executives and their families. Tenderness for them does not account for the present rebellion in Congress against this order. This order has become the symbol of 'government by directive.' It typifies the curbs by which government is now curtailing opportunity to get ahead through initiative and hard work. It is awakening the country and Congress to the realization that free enterprise can be destroyed by measures put forward on the pretext of preserving it, and that it must be defended against such measures."

Mr. Montague also cited figures showing that farmers and manufacturing employees have been "richly rewarded for their war effort, because they have insisted on full reward," but pointed out that "no such rewards have accrued to business."

Bank Stock Acquired By RFC Not Taxable Supreme Court Rules

A ruling holding constitutional legislation providing that shares of preferred stock of national banks acquired by the Reconstruction Finance Corp. before or after March 20, 1936, should not be subject to taxation by Federal, State, county or municipal governments was handed down by the U. S. Supreme Court on March 1. Reporting this, Associated Press advices from Washington on March 1 stated:

"Justice Douglas delivered the unanimous opinion on a challenge of the 1936 statute, as applied retroactively, by Maricopa and Pima Counties, Arizona. They sought to tax for 1935 and 1936 preferred stock owned by the RFC of the Valley National Bank of Phoenix.

"The legislation was passed March 20, 1936, after the Supreme Court had ruled on the preceding Feb. 3 that preferred National Bank stock held by the RFC then was subject to State taxation under the law as it existed at that time.

"The 1935 taxes involved totaled $43,598 and those for 1936 were $45,075. The counties contended that the 1935 taxes were levied and assessed before the legislation was passed and the 1936 tax year had started before enactment of the statute."

Aviation Committee Bill Is Defeated

A resolution to establish a special standing committee to deal with civilian and commercial aviation was defeated by the House on March 2 on a roll-call vote of 257 to 142.

Creation of such a committee was part of the Republican legislative program outlined by Representative Martin (Rep., Mass.), minority leader, when the new session opened in January. However, many Republicans joined with the Democratic majority in voting against the resolution, contending that it would be unwise at this time to transfer jurisdiction of aviation legislation from the Interstate and Foreign Commerce Committee to a new, inexperienced committee. The chief argument in favor of a separate aviation committee was that the Commerce Committee is too busy with its other transportation problems to give aviation the attention it will require in the post-war world.

In urging passage of the resolution, Representative Martin said that it would give the House the opportunity "to make a real contribution to America's progress." He also said that creation of the committee would mark "a forward, progressive step in putting America in a position to fully utilize this dynamic industry in providing jobs, trade, security, and greater progress and prosperity for the people."

There were eight resolutions, all virtually seeking the same end, introduced when the new session began. The one which the House disapproved was offered by Representative Nichols (Dem., Okla.), who has headed a special House committee investigating air accidents.

The Nichols resolution called for a committee of 21 members to handle exclusively the post-war problem of the development of commercial and civilian aviation.

Dividend Paid In Stock Not Taxable By Government, Supreme Court Rules

In an action involving the levying of a Federal tax on stock dividends, the United States Supreme Court on March 1 denied the power of the Department of Justice to impose such a tax. The Court's opinion, was handed down in a 5 to 3 decision, in a test case brought by the Government to challenge a 1920 Supreme Court decision (Eisner vs. Macomber) which held that a dividend of voting common stock distributed on voting common stock did not constitute income to the recipient and was not subject to taxation.

Justice Jackson, who delivered the opinion, said that the court was "unable to find that Congress intended to tax the dividend in question, and without Congressional authority we are powerless to do so."

The court's conclusions specifically had to do with a test case involving a $9.60 tax assessed for 1939 against Mrs. Sylvie R. Griffiths of New York on 2½ shares of common stock of Standard Oil Co. (New Jersey) received as a dividend on 100 shares of common stock.

According to Washington advices to the "Wall Street Journal" the Government, in seeking to collect this tax, asked the Court to do two things, viz.:

"First, it requested the Court to interpret a 1936 Act of Congress as imposing a tax on stock dividends. That act. now Section 115 (F) (1) of the Internal Revenue Code, says: 'A distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the 16th Amendment to the Constitution.'

"Second, the Government asked the Court to overrule its decision in Eisner versus Macomber rendered in 1920. This decision contains the basic constitutional rulings which for 23 years have prevented taxation of stock dividends. It was a five-to-four decision. Its main reasons for holding such dividends non-taxable were that the transaction caused no severance between income and capital of the corporation and that there was no actual realization of income to the stockholder."

Regarding the findings of Justice Jackson, the "Wall Street Journal" advices said:

"Justice Jackson reviewed the history of the Tax Act of 1936 on which the Treasury based its claim that Eisner vs. Macomber should be overruled. That Act provides that 'a distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the 16th Amendment to the Constitution.'

"The question was whether that language in effect overruled the Eisner case.

"'We think if Congress had passed or intended to pass an Act challenging a well-known constitutional decision of this court, there would at least one clear statement of that purpose appear either from its proponents or its adversaries,' Justice Jackson said. 'Not one contemporaneous word in or out of Congress discloses the purpose which the Government says we should find that this legislation accomplished.

"'It should be observed that the question of the Constitutional validity of Eisner vs. Macomber is plainly one of the first magnitude, but that is not to say that it is presented in this case. Under our judicial tradition we do not decide whether a tax may constitutionally be laid until we find that Congress has laid it. Unless the tax asserted by the Commissioner has been authorized by Congress it fails of validity before we even reach the constitutional question. To reach that question we must decide whether Congress intended by Section 115 (F) (1) to do what Eisner against Macomber squarely held it could not. We cannot find that it did.'"

A dissenting opinion was delivered by Justice Douglas, in which Justices Black and Murphy joined; the dissenting views, read by Justice Douglas, stated, according to Associated Press advices:

"I think Eisner vs. Macomber should be overruled," Justice Douglas asserted. "The Sixteenth Amendment (authorizing a Federal income tax) gives Congress the power to lay and collect taxes on incomes, from 'whatever source derived.'"

"We are asked to make a retroactive holding," the majority opinion said, "that for some seven years past a multiple of transactions have been taxable although there was no source of law from which the most cautious taxpayer could have learned of the liability."

"The importance of overruling Eisner vs. Macomber," the Justice Department had contended, "is not merely that the Government may be able to tax stock dividends, although many millions of dollars in taxes may be involved each year with respect to stock dividends. Of far greater importance is the removal of the restriction that it imposes upon the taxation of corporate earnings in the hands of the shareholders at the appropriate surtax levels."

A previous reference to the case appeared in these columns Dec. 17, last page 2165.

Newspaper Printing And Publishing Panel

The National War Labor Board announced on Feb. 25 the establishment of a six-man advisory panel for the daily newspaper printing and publishing industry, to make recommendations on wage and salary adjustments and on all labor disputes. The panel, first of its type, will serve for a 90-day experimental period.

Robert K. Burns, Chairman of the Sixth Regional War Labor Board, with headquarters in Chicago, was appointed Chairman of the Advisory Panel, and Professor F. S. Deibler of Evanston, Ill., Professor of Economics and History at Northwestern University, Vice-Chairman. They will represent the public on the panel.

Two members and their alternates to represent industry and two members and their alternates to represent labor also were appointed.

The panel will be governed by the policies and procedures of the National War Labor Board and its findings and recommendations will be filed directly with the NWLB, it was stated in the directive order establishing the panel.

The WLB's announcement further explained:

"The Regional War Labor Boards will refer applications for wage and salary adjustments to the panel in all voluntary cases. The NWLB will refer dispute cases to the panel. The NWLB will take final action on the panel's recommendations and will direct the appropriate Regional Board to notify the parties of the disposition of the case.

"After the 90-day experimental period, the Board will consider the permanent establishment of the panel. It will act either upon its own initiative or upon request of representatives of either management or labor. The Board will review the work of the panel, consider the advisability of changes in the personnel and determine the jurisdiction, function and powers of the panel at that time.

"The Board has established commissions for the entire industries before but it never before had set up an advisory panel of this type.

"Because of the long-established history of collective bargaining in the newspaper industry, the Board agreed to the establishment of the advisory panel, after requests for creation of such a panel came from both industry and union representatives.

"Mr. Burns will serve both as Chairman of the Sixth Regional War Labor Board and as Chairman of the Advisory panel. He is a veteran arbitrator in newspaper disputes and is author of a book on collective bargaining procedure in the newspaper industry. Mr. Burns was a teacher of labor economics and industrial relations at the University of Chicago before being called to his first WLB post last November. He was the unanimous choice of the newspaper industry and labor representatives for the Panel post. . . .

"The labor members and alternates were chosen from crafts and industrial groups whose memberships may be involved in matters within jurisdiction of the panel. The labor member sitting in each case will be the member chosen from the craft or industrial group involved in the particular case.

"The panel may sit as a three-man tripartite panel, provided that one member shall be the Chairman or Vice-Chairman, and one shall represent industry and one labor. The Chairman, however, will exercise general supervision and will not participate in any case except when specifically requested to do so by the NWLB.

"The panel will have its headquarters in Chicago, at 222 West Adams Street, Room 555. Members will be paid on a per diem basis.

"The panel's jurisdiction will include employees in the following departments: mechanical, maintenance, mailing, editorial, art, circulation (including newsboys); and commercial and kindred departments. Cases involving services related to the newspaper industry may also be referred to the panel by the NWLB or the Regional Boards, if the interested parties so request."

FDR Greets Negro Press

President Roosevelt, in a letter March 6 to the Negro Newspaper Publishers Association of America, celebrating National Negro Newspaper Week, said the observance has "particular significance this year," because freedom of the press is one of the things for which this nation is fighting. The text of the President's letter follows:

"The observance of National Negro Newspaper Week has particular significance this year, a year that has seen the fighting men of the United Nations battling shoulder to shoulder to protect and guarantee those freedoms that we in this country took for granted. Freedom is the press is not the least of these, and the Negro press like the rest of the American press has always been free to say what it thinks, print what it believes.

"A free press has responsibilities as well as liberties. It must keep pure the stream of public information, for this is the stream that waters democracy and assures us growth. The free press must fight for the right, conscious always that the greater good is more important than personal advancement or personal profit.

"I leave you with one further word and promise: Democracy is on the march."

April Financing Drive Set At $13 Billion; 3 New Issues Scheduled In Record Borrowing

Secretary of the Treasury Morgenthau announced on March 12 that the United States Treasury will borrow during the month of April the huge sum of $13,000,000,000 in its Second War Loan Drive. Mr. Morgenthau said that $8,000,000,000 of this total will come from non-banking investors and the balance from banking sources, including the increased weekly offerings of Treasury Bills.

Secretary Morgenthau further explained:

"This money, which is needed to back up our armed forces, will be raised through the continuing sale of War Savings Bonds, and Tax Savings Notes, Treasury Bills, and the offering of a number of new Treasury issues designed for every class and type of investor.

"As we move forward into full production in the war effort, it is increasingly important that every American invest in his Government's securities to the limit of his or her ability.

"As announced on March 3, a new organization under the title of U. S. Treasury War Finance Committee, will conduct the sales campaign beginning April 12 on the several issues of securities offered. In order to combine all of our forces behind the Second War Loan drive, this organization will bring together the Victory Fund Committees, which so successfully carried out the December campaign, and the War Savings Staff organizations, which have done such a grand job in the sale of War Savings securities. The President of the Federal Reserve Bank in each of the 12 districts is Chairman of the War Finance Committee in his district and will be in complete charge of the drive for that area."

The Treasury Department at the same time (March 12) announced that the offerings to be sold under the direction of the War Finance Committee will consist of:

"1. Twenty-six-year 2½% bonds dated April 15, 1943, due June 15, 1969, callable June 15, 1964, to be issued in coupon or registered form at the option of the buyers. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until April 15, 1953. There will be no limit to the amount of this issue and no restriction upon the issuance excepting the temporary exclusion of commercial banks from ownership for their own account. Subcription books will be opened April 12 and will remain open several weeks. The bonds will be sold in denominations from $500 to $1,000,000.

"2. Two per cent Treasury bonds dated April 15, 1943, due Sept. 15, 1952, callable Sept. 15, 1950. This security will be available for subscription by commercial banks for their own account for the period April 28, 29 and 30. It will be available for subscription by all other classes of investors for the entire period of the drive. Sales to commercial banks will be limited to $2,000,000,000 or thereabouts. Applications from commercial banks in amounts up to $100,000 will be alloted in full and larger bank subscriptions on an equal percentage basis. All applications from other than commercial banks will be alloted in full. These bonds will be in denominations of from $500 to $1,000,000 and will be issued in coupon or registered form at the option of the buyer.

"On individual subscriptions of $1,000 or less, no accrued interest will be charged on the 2% or 2½% bonds during the period of the drive, but accrued interest from April 15 will be collected on all subscriptions in excess of that amount entered after that date.

"3. A ⅞% Certificate of Indebtedness dated April 15, 1943, due April 1, 1944. This security will be available for subscription by commercial banks for their own account for the first three days of the drive, namely, April 12, 13 and 14, and will be available for subscription by all classes of investors during the entire period of the drive. Sales to commercial banks will be limited to $2,000,000,000 or thereabouts. Applications from commercial banks up to $100,000 will be alloted in full and larger bank subscriptions on an equal percentage basis, and all applications from other than commercial banks will be allotted in full. The certificates will be in denominations of $1,000 to $1,000,000 and will be issued in coupon form only.

"4. Tax Savings Notes of Series C.

"5. Series E War Savings Bonds.

"6. U. S. Savings Bonds, Series F and G."

The announcement also stated:

"Any bank or trust company qualified to hold War Loan deposits will be permitted to make payment by credit for securities, whether for its own account or that of its customers up to any amount for which it shall be qualified in excess of existing deposits.

"In addition to the foregoing securities ofered during the month of April, the Treasury will offer on April 20, outside of the Second War Loan campaign, a ⅞% one-year certificate of indebtedness dated May 1, in exchange for the Treasury certificates of indebtedness in the amount of $1,506,000,000, and Commodity Credit Corp. notes in the amount of $289,000,000, all maturing on that day. This exchange offering should not be considered as a precedent for future refunding operations of the Treasury."

In the first Victory Loan campaign the Treasury sought $9,000,000,000 but raised a total of $12,906,000,000 of "new money;" these results were noted in our Jan. 28 issue, page 383.

Plans for the second War Loan drive were mentioned in these columns March 11, page 930.

WLB To Discontinue Strike Statistics

Announcement was made on March 8 by the War Labor Board that it will no longer issue statistics on strikes in war industries. The Board indicated that its action was due to the fact that "the war effort now affects practically every industry in the nation and the ratio of man days lost through strikes to the total time worked is virtually the same in the war industries as in the non-war industries."

Hereafter, said the WLB, figures on strikes will be issued by the Bureau of Labor Statistics of the Labor Department, but they will not differentiate between war and other industries. Associated Press accounts from Washing on March 8, indicating this, added:

"An interdepartmental committee on strike statistics, composed of members from the War, Navy and Labor Departments, WLB, War Production Board and Maritime Commission, will no longer function. The announcement said the action was taken on the recommendation of the committee itself.

"Throughout 1942 the group collected statistics on strikes in war industry and they were issued monthly by the WLB. The latest figure, for December, showed the man days lost to be .03 of 1% of the total time worked."

New York Stock Exchange Maintains Strong Financial Position In '42 Despite Operating Loss

The New York Stock Exchange indicates that it "maintained its strong over-all financial position in 1942 and increased slightly its liquid resources, in spite of an operating loss of approximately $198,000 resulting from a sharp decrease in revenues," in the annual financial report issued March 5 by Emil Schram, President of the Stock Exchange. Mr. Schram said that this was gratifying to report "although our business last year was the smallest since 1914, reaching what I am confident will prove to have been the lowest ebb of the prolonged depression through which this industry has been passing."

The consolidated statement of income and expenses for 1942 of the Stock Exchange and its affiliated companies shows that operating costs, excluding depreciation, exceeded income by $198,379, compared with an excess of expenses over income in 1941 of $42,285. Initiation fees of $296,000 collected in 1942 and of $348,000 in 1941, are not reflected in these results because they are capital contributions. The report also says: "The fact that, in spite of the operating loss of $198,000, the cash position as of Dec. 31, 1942, showed an improvement of $165,000 is accounted for largely by the initiation fees received in 1942, and a refund of approximately $59,100 in real estate taxes, of which $44,377 was applicable to prior years.

"The total deficit for 1942, taking into account depreciation charges of $548,191 and a loss of $69,402 resulting from liquidation of the World's Fair Corporation and the receipt during 1942 of a final payment on its bonds owned by the Exchange (against which full reserves had been set up in previous years) was $815,972, compared with $2,229,561 in 1941. The 1941 figure, it should be noted, includes the loss of approximately $1,600,000 on the sale during that year of the 39 Broad Street building."

Mr. Schram's report further disclosed: "Income in 1942 declined $787,443, from $4,676,767 in 1941 to $3,889,324 in 1942, a decrease of more than 16%. Listing fees of $221,577 in 1942 compared with $558,192 in 1941, a reduction of $336,615. Stock Clearing Corporation charges were lower by $239,111; stock and bond ticker service by $58,826; quotation service by $67,629.

"Membership dues for 1942 were $201,049 less than in 1941, the decrease having resulted, in part, from exemptions granted to members in service with the armed forces and, in part, from the reduction of 25% in the rate of dues for the last two quarters of last year.

"Income from telephone spaces and other floor charges declined by $103,129, principally because of reductions in rates adopted last May as part of a broad program under which Exchange charges for floor facilities were readjusted to a basis more equitable in relation to their use.

"Total receipts during 1942 from the new charge based on net commission income of members and member firms were $283,292, slightly less than the total loss of income in dues and floor charges. . . .

"Income from rents increased slightly during the year in spite of the loss of income resulting from the closing down during 1941 of a portion of the 24 Broad Street and 20 Broad Street buildings and the sale of the 39 Broad Street building. . . .

Expenses

"The total reduction in expenses during the year was $631,349, or about 13%. This followed reductions averaging $572,000 in each of the preceding four years. The total decline in the annual rate of expenses since 1937, the last full year prior to the first reorganization of the Exchange, has been approximately $2,900,000. Reductions during 1942 were shown in almost all of the expense categories, only two items, insurance and miscellaneous expenses, having shown an increase over the totals for the previous year. The increase in these two items resulted from expenses incurred in connection with air raid precautions, including the complete coverage of the Exchange buildings under war risk insurance.

"The principal reductions were as follows:

	Expenses 1941	Expenses 1942	Reduction
Salaries and wages	$2,743,621	$2,508,059	$235,600
Employees' insurance, annuities, etc.	408,840	254,249	154,600
Real estate taxes	569,207	532,948	36,200
Printing, stationery, postage, etc.	127,587	92,800	34,800
Legal and other professional services	185,084	97,070	88,000

"Total expenses in 1942 of $4,087,703 were lower than in any of the past twenty years. In connection with the continuing economies of operation, I should like to express the Exchange's appreciation of the whole-hearted cooperation received from members and employees in maintaining the Exchange's high standards of performance and efficiency with a personnel reduced not only by previous necessary retrenchments but by the fact that a very large number of our employees entered the armed forces during the past year.

Employee Relations

"During 1942, an independent employees association was certified by the National Labor Relations Board as the bargaining organization for the employees of the Department of Floor Operations of the Exchange, excluding the supervisory employees. Negotiations with a bargaining committee of the Association have resulted in substantial agreement on proposed salary scales and other conditions of employment. Approval of such salary scales and of proposed readjustments affecting other employees of the Exchange and its affiliated companies are now before the War Labor Board, although in separate proceedings. The principal issues to be determined by the War Labor Board, other than approval of the salary scales under the Executive "freezing" order, are whether or not the contract with floor employees should provide for some form of closed or union shop and what the effective date of the proposed salary increases should be. Throughout the negotiations we maintained the position that the Exchange could not agree to require any employee to join a union or to maintain his membership as a condition of continued employment."

In paying tribute to the thousands of former co-workers in the community who have entered the armed forces, Mr. Schram said:

"It is with special pride that we record the fact that almost 15% of our personnel—members, allied members, Exchange employees and employees of member firms—are in various branches of the service at this time. They have a right to expect that those of us who remain at home will preserve this and other free institutions in health and usefulness. This requires of all of us the utmost exertion and sacrifice to the end that the war may be brought to a victorious conclusion as speedily as possible. Thus, we can best protect our civilian economy and insure a stable order after the war has been won."

The consolidated balance sheet as of Dec. 31, 1942, compared with a year ago, follows:

CONSOLIDATED BALANCE SHEET

New York Stock Exchange — New York Stock Exchange Building Co.
New York Quotation Co. — Stock Clearing Corp.
*New York Stock Exchange Safe Deposit Co.

Assets—	Dec. 31, 1942	Dec. 31, 1941
Cash	$1,176,905.19	$3,162,371.20
Accounts receivable from members or their firms	416,615.52	367,284.79
Accounts receivable, others (net of reserves)	99,065.92	180,375.69
Loans to employees	6,266.45	7,264.03
Miscellaneous securities (net of reserves)	------	2,402.00
United States Government Securities, at cost (market value $1,708,333.37)	1,705,800.00	------
Prepaid taxes, insurance, etc.	331,805.34	357,641.08
	$3,736,458.42	$4,077,338.79
Cash deposited in special funds (contra):		
Stock Clearing Corp., clearing fund	$6,800,000.00	$9,325,000.00
Stock Clearing Corp., mark to market deposits	40,461.37	129,059.46
Stock Clearing Corp., deposits account of special intermediate clearances	2,572,230.67	1,248,466.43
United States War Savings Bonds, series E	562.50	------
Proceeds of sales of memberships	5,600.00	244,537.73
	$9,418,854.54	$10,947,063.62
Bonds deposited under franchise, at cost (market value $24,750 at Dec. 31, 1942)	$21,125.00	$21,125.00
Cash deposit at Federal Reserve Bank for issuance of United States War Savings Bonds, series E	$150,000.00	------
Fixed assets (see footnote):		
Land	$9,551,424.58	$9,551,424.58
Buildings and improvements	18,278,128.76	18,271,908.39
Furniture, fixtures and equipment	183,997.00	217,061.70
Ticker equipment	1,179,023.87	1,179,023.87
	$29,192,574.21	$29,219,418.54
Less reserve for depreciation	10,009,652.09	9,494,018.60
	$19,182,922.12	$19,725,399.94
Total assets	$32,509,360.08	$34,770,927.35

Liabilities—	Dec. 31, 1942	Dec. 31, 1941
Amount received from Trustees of the Gratuity Fund pursuant to Article XVI, Section 7, of the Constitution to be refunded to or to be applied against amounts paid or payable by members	------	$296,563.97
Accounts payable	$126,589.17	171,477.03
Accrued payroll, taxes, etc.	57,375.80	39,407.41
	$183,964.97	$507,448.41
Deposits in special funds (contra):		
Stock Clearing Corp., clearing fund	$6,800,000.00	$9,325,000.00
Stock Clearing Corp., mark to market deposits	40,461.37	129,059.46
Stock Clearing Corp., deposits account of special intermediate clearances	2,572,230.67	1,248,466.43
United States War Savings Bonds, series E	562.50	------
Proceeds of sales of memberships	5,600.00	244,537.73
	$9,418,854.54	$10,947,063.62
Unearned income	$5,438.13	$6,892.48
Capital investment of the exchange	$22,901,102.44	$23,309,522.84
Total liabilities	$32,509,360.08	$34,770,927.35

*Dissolved during 1942.

Footnotes—The amount stated for fixed assets is book value, based mainly upon cost. The cost of obtaining premises under long lease, demolition and new construction has been capitalized; the allocation of costs between land and buildings is that made to meet the accounting requirements for tax purposes. The amount stated does not represent realizable value, which is believed to be substantially less.

The New York Stock Exchange was contingently liable at Dec. 31, 1942, with respect to pending law suits totalling $1,259,713.25, which in the opinion of counsel to the Exchange should not result in material liability.

The statements of income and expenses for the years 1942 and 1941 follow:

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES

New York Stock Exchange — New York Stock Exchange Building Co.
New York Quotation Co. — Stock Clearing Corp.
*New York Stock Exchange Safe Deposit Co.
**39 Broad Street Corporation

	Year ended Dec. 31, 1942	Year ended Dec. 31, 1941
Income from members or their firms:		
Membership dues	$1,165,162.24	$1,366,211.03
Telephone spaces and other floor charges	424,130.43	527,259.07
Charge on commissions	283,292.47	------
Stock Clearing Corporation charges	518,575.39	757,686.55
Stock and bond ticker service	309,824.07	368,650.62
Quotation service	163,872.45	231,501.54
Branch office, registered employee and wire connection fees, and partnership application charges	142,620.00	157,615.00
Fines and powers of attorney	8,243.90	16,716.50
	$3,015,720.95	$3,425,640.31
Income from others or not entirely from members or their firms:		
Rents, including light and power	$391,504.12	$384,693.36
Stock Clearing Corporation charges	80,400.00	80,400.00
Ticker, Trans-Lux and Teleregister	135,841.76	161,942.89
Subscriptions, services, etc.	11,068.33	12,847.72
Listing fees	221,576.67	558,192.49
Interest, discounts	12,767.31	7,586.94
Miscellaneous	20,444.96	45,463.48
	$873,603.15	$1,251,126.88
Gross income	$3,889,324.10	$4,676,767.19
Expenses:		
Salaries and wages	$2,508,059.23	$2,743,621.23
Employees' insurance, annuities, etc.	254,249.43	408,840.44
Social security and unemployment taxes	90,444.02	101,281.06
Building, light, heat, maintenance, etc.	195,312.19	203,943.29
Rent	139,459.93	149,079.04
Real estate taxes	532,948.11	569,206.83
Miscellaneous taxes	36,152.63	48,514.24
Printing, stationery, postage, etc.	92,800.51	127,587.08
Telephone and telegraph	75,587.54	101,164.71
Legal and other professional services	97,069.99	185,083.60
Committee fees	21,630.00	39,285.00
Insurance	22,849.98	19,462.26
Rents and accounts charged off	281.65	1,128.83
Miscellaneous	20,857.74	20,854.21
Total expenses	$4,087,702.95	$4,719,051.82
Excess of expenses (excluding depreciation) over income	$198,378.85	$42,284.63
Depreciation	548,191.41	566,579.69
Loss on sale of securities	------	7,596.85
Loss on redemption of World's Fair bonds	69,402.00	------
Undepreciated balance night branch improvement account	------	8,929.48
Loss on sale of 39 Broad St. (land building and miscellaneous equipment)	------	1,604,169.98
Loss for the year	$815,972.26	$2,229,560.63

*Dissolved during 1942. **Dissolved during 1941.

WLB Affirms Award In 'Tribune'-Guild Case

The National War Labor Board on Feb. 26 upheld the arbitration award in the case of the New York "Herald Tribune" and the CIO New York Newspaper Guild, thereby affirming its policy that selective pay increases granted on a merit basis cannot be credited toward a general increase for the whole unit to compensate for higher costs of living. The vote was 8 to 4, with employer members dissenting, according to Associated Press accounts from Washington Feb. 26 which also said:

"The award sets up classification minimums ranging up to $70 a week, with the provision that a further increase shall be granted if the minimum does not provide a 15% increase for those earning $40 a week or less, 10% for those earning $40 and up to $75 a week, and 5% for those earning over $75 but less than $100 a week."

On Feb. 24 it was indicated from Washington that the New York "Herald Tribune" management had asked the National War Labor Board that day to decide whether wage increases awarded last Dec. 22 by three WLB arbitrators in negotiations between the newspaper and the Newspaper Guild of New York were in harmony with the government's economic stabilization program. We quote from the "Herald Tribune," which also had the following to say in the Washington account Feb. 24:

"Elisha Hanson, attorney for the 'Herald Tribune' in this case, expressed the view at a WLB hearing that the increases could not be reconciled with the stabilization program. He said the awards constituted an average increase of 18.25% in the newspaper's payroll level of Jan. 1, 1941.

"Mr. Hanson argued that the 'Herald Tribune' management felt that the WLB's 'Little Steel' formula for granting general wage increases of up to 15% above Jan. 1, 1941, levels to match a similar rise in living costs had been 'improperly applied' in this case.

"A. J. Isserman, counsel for the American Newspaper Guild, asked the WLB to approve the arbitrators' award 'forthwith.' He held that the payroll increases involved were 'consistent' with the wage-stabilization program.

"Mr. Isserman said that the 'Herald Tribune's' policy of granting merit increases to deserving reporters was 'capricious, arbitrary and whimsical.'

"After a three-hour public hearing this morning, the WLB, under William H. Davis, Chairman, met in executive session this afternoon to discuss the case and other matters. The Board then adjourned without announcing a decision, which is not expected for several days.

"Others who testified at the hearing were:

"For Management: George T. Townley, counsel for the Publishers' Association of New York City, and Louis M. Loeb, counsel for the New York 'Times.'

"For the Guild: Milton Murray, President of the American Newspaper Guild; John F. Ryan, general organizer of the New York Guild, and Samuel Eubanks, Executive Vice-President of the American Newspaper Guild."

Lend-Lease Aid To India

The Office of War Information ata Washington reported on March 5 that lend-lease aid to India totaled $295,501,491 up to Jan. 1. Two-thirds of the shipments consisted of munitions or military machines, the OWI said, adding that most of the rest included industrial machinery and tools.

President Offers Congress Post-War Program And Security, Work And Relief System

(Continued from first page)

war to peace and for the longer-range development of an expanding economy. It is appropriate that each year the immediate programs contained in the Budget of the United States should be considered by the Congress in the light of much longer range plans and programs. To facilitate such use of this report, I recommend that the report be printed, in accordance with past custom.

"We can all agree on our objectives and in our common determination that work, fair pay and social security after the war is won must be firmly established for the people of the United States of America.

"Men in the armed forces and all those engaged in the war effort rightly expect us to be considering their future welfare.

"We fight today for security for our nation and at the same time we can endeavor to give our citizens and their families security against attacks from without, and against fear of economic distress in old age, in poverty, sickness, involuntary unemployment and accidental injuries. We need to look forward to the accomplishment of these objectives—world peace, democratic society and a dynamic economy.

"The second report transmitted herewith, on 'Security, Work, and Relief Policies,' has been developed over the last three years by the National Resources Planning Board, at my request, with the cooperation of the Federal agencies concerned and with the help of citizens with special knowledge and competence in this field. It reviews the accomplishments and experience of the last ten years, pointing out some of the weaknesses of our security system, and suggesting ways of improving and strengthening the whole program.

"Because of their basic importance to our national welfare during the war and after the war, it is my earnest hope that the Congress will give these matters full consideration during this session. We must not return to the inequities, insecurity and fears of the past, but ought to move forward toward the promise of the future. When the Congress has agreed on procedures for the consideration of these problems, the executive agencies responsible for the administration of programs in these fields are prepared to provide the Congress with all assistance within their power in devising appropriate ways and means of accomplishing these high purposes.

"FRANKLIN D. ROOSEVELT,
The White, House, March 10,
1943."

The findings and recommendations of the National Resources Planning Board on "Security, Work and Relief Policies" are as follows, according to the Associated Press:

We have given our reasons for believing that the adoption of certain policies and the application of certain financial and administrative principles would result in a more nearly adequate, well-rounded, and orderly system of public-aid measures. In summarizing these proposals, we wish again to emphasize that, precisely because we have attempted to develop a well-coordinated and consistent body of policies and principles, no one of our specific recommendations can be considered apart from the whole system of which it is an integral part.

In this context, and for the reasons we have given in the preceding pages, we therefore make the following recommendations:

I. THE PUBLIC-AID PROBLEM

The American people should base public-aid policy upon the acceptance of the following facts:

1. The need for public aid will be both large and persistent for some time to come.

2. The need for public aid is in large measure caused by serious maladjustments in the operation of our economy and by personal physical or psychological defects, many of which can be remedied.

3. The social problem created by economic insecurity is many-sided and requires for its solution a series of diversified programs.

II. BROAD OBJECTIVES OF PUBLIC AID

The over-all objective of public aid should be the assurance of access to minimum security for all our people, wherever they may reside, and the maintenance of the social stability and values threatened when people lack jobs or income.

III. SPECIFIC OBJECTIVES

The specific objectives of public-aid policy should be:

1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people.

2. Government provision of work for all adults who are willing and able to work if private industry is unable to provide employment.

3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship.

4. Assurance of basic minimum security through social insurance, so far as possible.

5. Establishment of a comprehensive underpinning general public assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity.

6. Expansion of social services which are essential for the health, welfare and efficiency of the whole population; this expansion should be as wide and as rapid as possible.

IV. FINANCE AND ADMINISTRATION

The following financial and administrative principles should be consistently applied in all public-aid programs:

1. The financing of public aid should be provided for as a normal and continuing function of government in a revised and reorganized fiscal system.

2. Public-aid financing, even if treated on a compartmentalized basis, should be coordinated with the broader economic and monetary policies of government.

3. Reliance on consumption and earmarked taxes should in general be avoided.

4. A distribution of financial responsibility for total public-aid costs between the various units of government is advisable and should reflect differences in need and in economic and fiscal capacity.

5. The objectives of the various special programs should be clearly stated and distinguishable and the beneficiaries of each should be those, and only those, for whom the specific program is appropriate.

6. Although Federal-State cooperation is preferable as a general principle, the allocation of administrative responsibility for the various diversified programs between Federal, State and local governments should be determined by reference to:

A. The capacity of the different governmental units for the exercise of specific financial, policy-forming, technical and routine administrative functions; and

B. The national importance attached to the attainment of the objectives of the given program.

7. In jointly administered programs special attention should be paid to defining as logically and clearly as possible the respective responsibilities of the participating governments and to developing techniques for cooperative action.

8. The advantages of administrative decentralization should be explored to the full, especially through a more constructive development of the regional basis of organization.

9. The personnel administering public-aid programs should be fully qualified by training and experience for the performance of tasks which call for a high degree of skill and professional competence.

10. Citizen participation in policy formation and program operation should be encouraged wherever this is consistent with sound and impartial administration.

V. SPECIFIC PROGRAMS

The existing programs should be modified in the light of these policies and principles in the following ways:

1. Federal Work Programs

A. To carry out the principle that work should be provided for all adults willing and able to work, a Federal work agency charged with responsibility for developing and operating work programs should be established on a permanent basis. The organization should operate with a high degree of flexibility.

In developing appropriate projects, the organization should work in close contact with the public works programming division of the National Resources Planning Board, the Bureau of Employment Security of the Social Security Board and appropriate technical agencies, and with State and local public works and welfare administrations. State and local governments should be encouraged to intensify the efforts now made to develop long-range public-works planning with a view to maximizing the amount of work given during periods of economic depression. It is recognized that the types and volume of public works which will lend themselves to such programming will change from time to time. Increasing attention should, however, be paid to planning for non-construction work and service activities.

B. The character of the work performed should be adapted to the developing needs of the nation and of communities for both construction and non-construction work, including social services. It should also reflect the occupational characteristics and geographical distributions of the unemployed and the probable future needs of the economy for workers with specific skills and occupational experience. Necessarily the programs must be flexible and highly diversified.

C. The standards of performance demanded of project workers should be those normally required in private industry and should be strictly enforced.

D. Rates of remuneration, conditions of employment, and hours of work should parallel as closely as possible those prevailing in private employment. Where, however, the work projects are primarily used as an instrument for training or retraining, suitable training grants should be paid in lieu of wages.

E. Eligibility for employment on work programs should be restricted to persons normally dependent upon full-time employment and those who are not entitled to receive unemployment compensation benefits, or whose unemployment is likely to persist for an extended period of time. Persons undergoing short spells of unemployment and partially unemployed workers should not normally be assigned to work-project employment. Special work projects, limited in duration, should be devised for farmers and agricultural workers during slack seasons.

F. Eligibility for employment should be determined by relative employability and need for work. Access to the program should not be dependent upon undergoing an investigation of economic need. Adequate appropriations for a work program and a general public-assistance system would make such a test unnecessary.

G. All persons seeking work should be required to register at public employment offices and access to the work program should be through the employment office.

H. Major responsibility for the peration of work programs should remain with the Federal Government, although every effort should be made further to develop cooperative relationships with the States and localities.

I. Major financial responsibility should be carried by the Federal Government. In sponsored programs the share which sponsors are required to contribute should reflect the fiscal capacity of the sponsor.

2. Programs for Youth

A. Federal financial aid as needed, to assure educational opportunity for all young people above the age of compulsory school attendance who desire and can benefit by continued schooling, should take the form of educational grants. These grants should be distributed by the educational authorities and, in determining payments to be made to families under public-aid programs, no part of the payments made to enable youth to continue schooling should be treated as part of the resources of the family.

B. The curricula of the schools should be revised so as to provide that all young people obtain meaningful unpaid work experience in the school or in community service during the period of school attendance.

C. Apprenticeship should be recognized as an appropriate channel for the occupational adjustment of youth.

D. Young people who are not in full-time attendance at schools or institutions of higher learning or who are not in private employment should be provided with productive work for a wage. The character of work and the wages paid should reflect the inexperience of the young workers. Both resident and non-resident types of programs are desirable. Special stress should be placed upon the educational aspects of the work and upon the inculcation of work habits and disciplines and familiarity with the use of a variety of tools. The hours of work and related training should be the equivalent of full-time work. Close relations should be maintained between the educational authorities responsible for related training and the administrators of the youth work programs.

E. All young people seeking public work should be required to register at public employment offices, and they should be referred to the various special programs by this service. Access to the youth work programs should not be limited to young people in economic need.

F. Eligibility for the youth work programs should be ordinarily restricted to persons under 21 years of age unless it can be shown that, because of the absence of public provisions they have not had access to special youth programs or have not had adequate work experience through private employment prior to reaching this age.

G. Facilities for counseling and guidance should be made available to all young people and their parents. The actual counseling should be performed by the schools and the public employment service. The employment service, through a special youth-service unit, should act as the local coordinating body.

H. All youth programs should devote special attention to the physical health of youth, and financial provision should be made accordingly.

I. The youth work programs should be financed and administered on a national basis, and the present CCC and NYA out-of-school work programs should be combined in a unified administration. Local sponsorship of work projects should be encouraged so long as this is consistent with the development of work projects appropriate to the needs of youth.

3. Work Programs for the Handicapped

Further study should be given to the development of therapeutic work programs for those with special physical and mental handicaps and disabilities.

4. The Social Insurances

A. Disability Insurance

The existing protection against economic insecurity through social insurance measures should be expanded by the development of a system of social insurance to provide at least partial compensation for loss of income attributable to permanent or temporary disability.

B. Unemployment Compensation

The unemployment compensation system should be strengthened and expanded in the following ways:

(A) Coverage should be extended to embrace seamen and employes of non-profit corporations and of firms employing one worker or more. The inclusion of workers in domestic, agricultural and other low-paid employments should be considered in relation to the patterns of employment, the character and amount of their earnings, and the feasibility of devising a benefit formula which will yield them significant payments. Consideration might be given to the desirability of developing a separate system with its own eligibility, benefit, and contribution provisions for agricultural workers.

(B) The duration of benefits should be extended to 26 weeks and should be uniform for all eligible workers.

(C) The benefit formulas should be reconsidered with a view to assuring benefits which will enable the vast majority of recipients to maintain themselves for a period up to 26 weeks without recourse to supplementary payments under other forms of public aid. The payment of dependents' allowances would be a first step in this direction.

(D) Eligibility rules should be revised so as to admit to insurance benefits only workers whose past earnings and employment records offer a presumption that they will draw significant benefits from the system and yet not such amounts as to induce them to prefer benefit status to self-support. The adoption of duration of past employment in place of previous earnings as a criterion of eligibility should be explored.

(E) Experience rating should be abandoned. If experience rating is retained, minimum Federal standards relating to elibigility, duration, and amount of benefit are essential.

(F) The present Federal-State system should be replaced by a wholly Federal administrative organization.

(G) There should be a single national unemployment compensation fund, part of which should be drawn from general tax sources. If, however, the system is not placed upon a national basis, a reinsurance system accompanied by Federal standards relating to eligibility, duration and amount of benefit should be developed.

C. Old-Age and Survivors Insurance

The old-age and survivors insurance system should be strengthened and made more widely available by the following changes:

(A) Coverage should be extended to employees of non-profit corporations. Additional groups of employees should be covered as rapidly as it can be demonstrated that they will receive adequate or significant benefits from the system.

(B) Continuing study should be given to the feasibility of revising the benefit formulas and the minimum-earnings eligibility requirement, with a view to making it possible for the vast majority of covered workers to qualify for benefits and to enabling the system to offer significant monthly benefits to a larger proportion of the low-paid and irregularly employed workers. Periods of involuntary unemployment, sickness and military service should not impair eligibility for an amount of benefits.

(C) The general principle of a governmental contribution to the costs of the program should be specifically embodied in legislation.

5. General Public Assistance

A. In addition to adequate work and social-insurance programs, there should be a comprehensive general public-assistance program.

B. There should be a Federal grant-in-aid for general public assistance, which should be available on a basis reflecting differences in need and economic and fiscal capacity as between the States. The States should be required to distribute Federal and State moneys within their political subdivisions on a similar variable basis. The costs of public assistance granted to persons with less than one year's residence in a State should be a wholly Federal charge.

C. The system should be administered through a single State agency responsible for the administration or supervision of the plan. The Federal administrative agency should be the Social Security Board. Where a State refuses to comply with the Federal requirements in accordance with the Federal law or refrains from participation in the program, the Federal Government should have the power to operate the program within that State with Federal personnel until the State demonstrates its ability and willingness to reassume its responsibilities, provided:

(a) That a public hearing should be called at which the Federal Government should show why this step is believed to be necessary and at which the State government should have an opportunity to answer the allegations; and

(b) That the hearing should take place within the State concerned.

D. In addition to the provisions laid down for the special types of public assistance in the Social Security Act relating to availability of aid, throughout the State, selection of staff on a merit basis, the assurance of appeal rights, and the rendering of reports to the Social Security Board, the States' plans for general public assistance should provide:

(a) That public assistance may not be denied any person by reason of race, sex, marital or employment status, or failure to have resided within the State for more than one year.

(b) That public assistance should be administered in accordance with general standards adopted under rules and regulations of the Social Security Board relating to adequacy of aid and methods of payment.

(c) That the same standards regarding eligibility (other than residence) and assistance given shall be applied to persons with less than one year's residence as to the remainder of public-assistance recipients.

6. Special Types of Public Assistance

(A) Public assistance now provided for special groups such as the needy, aged and blind and dependent children should be continued with such modifications of existing provisions as are necessary to develop a more fully coordinated program. Consideration should be given to extending the categories to embrace all groups whose need for socially provided income is likely to be relatively permanent or of long and predictable duration.

(B) The present equal-matching Federal grant should be replaced by a grant in which the amount of the Federal contribution would take into account differences between the States in need and in economic and fiscal capacity.

(C) The States' plans should provide for a distribution of Federal and State money within their political subdivisions in accordance with relative need and fiscal capacity.

(D) The Federal act providing aid to dependent children should provide specifically for payments to mothers. Grants under the aid-to-dependent-children program should be comparable in adequacy with those for the aged and blind.

7. Public Social Services

(A) Public social services essential to the health, education and welfare of the population should be available throughout the country, especially in areas which are disadvantaged in respect to income and taxable wealth. In most communities marked expansion of present services will be required in order to achieve these objectives. The planning and administration of public social services should be lodged in the appropriate agencies of government and responsibility for their development should be shared by local, State and Federal authorities. The administration should be in the hands of qualified full-time personnel selected on the basis of merit.

B. It is essential that public provision be made for meeting the needs of our people for more adequate medical care. Toward this end the Federal Government should stimulate, assist, or undertake constructive action to provide such care for the millions of our people whose need cannot be fully met from their own resources. Such a program should include adequate provision for promoting the health of mothers and children.

C. State and local child-welfare services for the prevention of child neglect and delinquency and for promoting adequate care of children requiring special attention should be expanded with the assistance of the Federal Government so as to be everywhere available.

D. Free school lunches should be provided for all school children.

E. The bulk distribution of surplus commodities should be replaced by the stamp plan, and greater efforts should be made to prevent the availability of commodities from concealing the inadequacies of general public assistance or from leading to a reversion to payment in kind. Surplus commodities should be available to the entire low-income population and not merely to public aid recipients.

8. General Administrative Arrangements

A. The merit system should be extended upward, downward and outward for all personnel in the field of public aid. Opportunity for employment on these programs should not be restricted on the basis of residence in a particular State or locality. Greater use should be made of insurance training and staff-development programs. Interchange of staff between Federal, State and local governments should be encouraged.

B. Appropriations for administrative costs, which directly condition the size and quality of staffs, should not take the form of a uniform percentage of the total costs of any program, but should be variable, depending on the character of the job to be done.

C. In every community there should be a central information office responsible for informing applicants of the availability of community resources, both public and private, and putting them in touch with the administrators of measures appropriate to their needs.

D. The administration of all public-assistance programs operating within a locality should be the responsibility of a single agency, which should be the channel of access to all programs where eligibility is based upon need.

E. Access to all programs offering employment or training should be through public employment offices. The federalization of the employment service should be continued as a permanent policy. The work of the employment service in developing an intimate knowledge of the labor market, mechanisms for interstate exchange of labor, vocational guidance and counseling, as well as its activities in the administration of unemployment compensation, should be further developed. The activities of the public employment service along these lines in the defense period should be incorporated into the permanent program of the agency. The employment service should be empowered to make advances to workers for the purchase of tools and the payment of fares, to give financial assistance to those incurring heavy costs due to geographical transference, and to pay training allowances to workers undergoiing approved training courses.

F. The Federal Security Agency should be given the status of an executive department and the administrator should be given the status of a member of the Cabinet. The agency should be vested with primary and continuing responsibility for promoting and safeguarding the general welfare, health and education of the people. Continuing study should be given to the basis of organization of the agency and to its relationship to other agencies administering related public aid programs.

G. There should be established a permanent national advisory body charged with the function of studying and advising the President, the Congress and the country on the over-all operation of public-aid policies and programs.

H. Similar advisory bodies, composed of representatives of public and private agencies and of the public should be established at the State level, charged with the function of investigating State and local needs for public aid in relation to existing community resources, both public and private.

I. Greater efforts should be made to bridge the gap between administrators and the public by increased efforts on the part of public agencies to inform the public of the purposes, achievements and limitations of public-aid programs; by citizen participation in policy-making and in appropriate phases of administration; and by more effective use of the cooperation of private welfare agencies which have a necessary part to play in this enlarged conception of public welfare service.

J. All public-aid programs involving Federal participation should include Puerto Rico and the island possessions, except where constitutional provisions forbid.

Europe Food Supplies 3% Below Last Year

Total food supplies in Continental Europe, exclusive of Russia, are this year estimated to be from 2% to 3% below those of 1941-42 and about 15% below the pre-war average, according to the semiannual survey of the Office of Foreign Agriculture Relations of the Department of Agriculture made available March 3. This estimate is based on a roundup of all of the information available to date on 1942 crops.

The Department's announcement further said:

"The food supply in Continental Europe varies greatly from country to country and even between urban and rural areas within the same country. Most of the farm population is still living at prewar levels while food consumption by many other consumer groups has been drastically curtailed. The general reduction in food supplies is having less effect on conditions in Germany and Italy than in the occupied countries.

"Greater reliance than before the war is now being placed on foodstuffs of plant origin, especially on grains and potatoes. Such diversions from feed to food uses, however, have resulted in a further decline in the production of meat, milk and eggs, the output of which had already been affected unfavorably by the elimination of imported feedstuffs.

"With respect to 1942 crops, indications are that wheat and rye production was considerably below the average but that the total grain crop came within 93% of the 1933-37 level. Despite lower wheat and rye crops, bread consumption apparently is being maintained at last year's level by mixing larger percentages of barley and corn and by enforcing higher flour extraction ratios.

"The 1942 potato crop, chiefly because of increased plantings to offset damage to wheat and rye acreages by winter kill, is believed to have been larger than in any recent year and considerably above the 1933-37 average.

"The 1942 sugar-beet crop appears to indicate a potential production of sugar somewhat below that of the preceding year but still above the pre-war average. It is believed, however, that a larger than usual proportion of the 1942 sugar-beet crop is being diverted to feed for livestock and that much larger than normal quantities will have to be used for alcohol and other industrial purposes. Should this be the case, the quantities of sugar available for human consumption may prove to be below the pre-war average.

"As a result of the high mortality of fruit trees during the unusually severe winter of 1941-42 and the continued shortages of fertilizers, spray materials and equipment needed by orchardists, the 1942 fruit crop is believed to have been very low. The vegetable crop, however, appears to have been generally larger than a year ago because of acreage expansion and favorable growing conditions. Indications are that there was a considerable increase in vegetable canning after the 1942 crop compared with former years.

"Of special significance are the indications that the 1942-43 supply of vegetable oils is below that of 1941-42. The reduction is attributed mainly to the low olive oil output in Greece, to a poor rapeseed crop because of winter kill, and to the impossibility of obtaining oil supplies from Africa. The shortage is probably being felt mainly in France, which has depended largely on oil imports from West Africa. Reserve stocks of oilseeds by this time have been practically exhausted in all European countries.

"The opinion is expressed that total supplies of meats and animal fats and oils in Continental Europe are no larger than they were last year and may even show a further decline because of the continued impossibility of importing concentrated feedstuffs, and the reductions in livestock numbers which are known to have taken place in northwestern Europe.

"Factors which will have an unfavorable bearing on 1943-44 crops in Continntal European countries will be the further reduction in agricultural labor because of the increased need for workers in plants producing supplies for the armed forces, a continued and probably increased shortage of effective agricultural equipment, increasing discontent of farmers as a result of requisitioning of supplies for the Axis and the enforcement of measures designed to increase compulsory deliveries of farm products, and especially the loss of North African phosphates which are badly needed for the manufacture of commercial fertilizers."

President Signs Bill Providing Funds For Floating Drydocks

A measure authorizing an appropriation of $210,000,000 for the construction of floating drydocks for the Navy was signed by President Roosevelt on Feb. 19, following its recent passage by Congress.

The Navy Department, following a comprehensive global study of the drydocks available to the United Nations, recommended construction of at least five floating drydocks for vessels the size of cruisers, 18 for destroyer tonnage and 25 for patrol craft. The cost was estimated at $133,000,000. The additional $77,000,000 is the estimated cost of collateral facilities and work incidental thereto. It is expected that the program will be completed in 20 months.

This authorization is in addition to existing naval authorizations for ship-repair facilities totaling $385,000,000, nearly all of which has been committed.

In urging enactment of the legislation, Under-Secretary of the Navy James Forrestal wrote the following on Jan. 22 to Speaker of the House Rayburn:

"There is a pressing need for vastly increased ship drydocking facilities all over the world. As the United Nations' navies and merchant marine increase in number and as the operations of our fleets are extended into new areas, this need will be accentuated and aggravated."

The bill passed the House on Feb. 2 and the Senate on Feb. 15.

Gen. Giraud Accepts Atlantic Charter

Gen. Henri Honore Giraud, French Civil and Military Commander in Africa, declared on March 1 that he accepted the Atlantic Charter heartily, and "while making war, we must prepare for peace."

According to United Press advices from Algiers, General Giraud said:

"From the foreign viewpoint, I accept the Atlantic Charter heartily and without reticence. These are the principles that France has always supported in every epoch of her history. I do not believe at all in the need of a revolution with disorder and anarchy, which will add a number of years of civil war to the foreign war."

General Giraud called for patience. He continued:

"Arms are arriving. America has not gone back on her word. She has confidence in France, as France has confidence in her."

National Fertilizer Association Index Decline In Commodity Price Average

The general level of wholesale commodity prices was fractionally lower last week, according to the price index compiled by the National Fertilizer Association and made public on March 15. In the week ended March 13 this index declined to 135.4 from 135.5 in the preceding week. It was 134.1 a month ago and 124.0 a year ago, based on the 1935-1939 average as 100. Since the first of January, 1943 there has been a 2.3% increase in the index. The Association's report added:

The drop in the all commodity index last week was due principally to declines in the prices of some farm products. Cotton quotations were higher, but declines in grains and livestock were more than sufficient to lower the farm product group index. Advancing prices for eggs, prunes, and cottonseed oil were responsible for a further advance in the food price average. The building materials index was higher, reflecting price advances for linseed oil. A fractional advance was also recorded by the textile index.

During the week changes in the index were quite evenly balanced, with eight price series advancing and seven declining; in the preceding week there were 18 advances and two declines; in the second preceding week there were 11 advances and five declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Mar. 13 1943	Preceding Week Mar. 6 1943	Month Ago Feb. 6 1943	Year Ago Mar. 14 1942
25.3	Foods	137.6	137.4	137.5	121.6
	Fats and Oils	148.5	148.1	148.5	136.1
	Cottonseed Oil	160.1	159.0	159.0	159.0
23.0	Farm Products	154.9	155.6	151.0	133.8
	Cotton	193.8	199.0	195.6	183.8
	Grains	141.4	141.9	134.5	119.8
	Livestock	151.2	152.2	147.9	127.0
17.3	Fuels	121.7	121.7	120.0	113.3
10.8	Miscellaneous commodities	130.4	130.4	129.0	127.5
8.2	Textiles	151.2	151.1	150.6	146.9
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.2	152.1	151.7	139.6
1.3	Chemicals and drugs	127.1	127.1	127.6	120.3
.3	Fertilizer materials	117.6	117.6	117.6	118.9
.3	Fertilizers	119.8	119.8	†119.1	115.3
.3	Farm machinery	104.1	104.1	104.1	103.8
100.0	All groups combined	135.4	135.5	134.1	124.0

*Indexes on 1926-1928 base were March 13, 1943, 105.5; March 6, 105.6, March 14, 1942, 96.6. †Revised.

Pay-Go Tax Urged By N. Y. Chamber; Double Tax Called Confiscation, Unconstitutional

Declaring that the principle of the present income tax law which makes "dead men pay income taxes" is illogical and unjust, the Executive Committee of the Chamber of Commerce of the State of New York made public on March 2 a report petitioning Congress to enact "a just pay-as-you-go plan." The report adopted by the Chamber on March 4 denies that the Ruml plan placing the payment of income taxes on a current basis "forgives" anything in the way of taxes and says it is not now pertinent whether the word as applied to the plan "was instituted maliciously" or through misunderstanding. The report further said:

"Assessing an income tax to be paid in one year upon the income of a different year departs widely from the principle of taxation based on ability to pay, which has been presumed to be an underlying factor of our tax laws. Demanding payment of income taxes from dead men or from others who have ceased to have incomes is complete violation of such a principle. Ability to pay relates to the ability in the year in which payment must be made, not to the condition in some other year.

"Under our present law the Government is demanding income tax payments from widows or orphans who have no income, and from incapacitated men who no longer have an income. Illogical as such a system has been, its results are becoming more tragic with the adoption of the high rates applicable to the 1943 payments."

The application of the word "forgiveness" to the Ruml plan implies "a relationship between two parties utterly at variance with the relationship of the U. S. Government and the taxpaying people of this country," the report said, adding:

"The people through their chosen representatives (the Government) decide how much revenue the people must contribute to the needs of the country as a whole. That is taxation. The people through their elected representatives may decide at any time to improve the method of allocating these contributions to the Government. Under such new allocation duly enacted into law, the amount each taxpayer must contribute becomes his obligation in lieu of his prior obligation. There is no forgiveness. There is merely a substitution of the amount determined under the new basis for the amount determined under the old basis. To change the base of such contributions in order to reduce the inequities of the past method has no relation whatsoever to 'forgiveness.'"

Characterizing the double taxation proposals made to Congress to pay a tax upon more than the income of any one year in a single year as "double taxation," the report said:

"If the present allocation of assessment of the required tax on the basis of differing amounts of income is fair and just, then any such double taxation in any year, or in any series of years, would result in a ratio of assessment utterly unjust. In many cases it would mean that the amount of tax to be paid would be greater than the income. That would mean confiscation of capital. It would be contrary to the 16th Amendment to the Constitution of the United States as, under the guise of an 'income tax' it would assess a tax upon capital."

Lend-Lease For Chile

A mutual aid pact based on lend-lease principles was signed by the United States and Chile on March 2.

The State Department said the agreement was similar to other lend-lease arrangements entered into by the United States and other countries.

The agreement was signed at the State Department in Washington by Acting Secretary of State Sumner Welles and the Chilean Ambassador Don Rudolfo Michels.

Chile broke off relations with the Axis nations in January, as was noted in these columns Jan. 28, page 381.

N. Y. Board Of Trade Calls For Retail Sales Tax; Advocates Pay-As-You-Go Tax Plan

Recognizing that "tax collections must be stepped up to unprecedented proportions," the New York Board of Trade petitions Congress for a national retail sales tax at as high a rate, and over as wide a field, as our war economy can stand—in addition to our present income taxes.

The New York Board of Trade also recommends pay-as-you-go and suggests a reasonable discount for taxpayers who pay the full tax at the first instalment.

M. L. Seidman, Chairman of the Board's Taxation and Finance Committee, who for many years has been the New York Board of Trade's representative before Congressional Committees on Federal Taxes, submitted the Committee's report to a recent meeting of the directors. Copies of the Board's opinion were mailed on March 6 to Congress and to the Treasury Department.

The Board's report says, in part:

"The New York Board of Trade deeply regrets that our tax affairs should have been so handled in Washington as to give the impression that anyone's tax liability will be cancelled, or lowered this year.

"With an expenditure budget at the astronomical figure of $109,000,000,000 for a single year; with tax collections running only at about a quarter of that pace; with the President's recommendation for raising taxes an additional $16,000,000,000 to bring revenues that much nearer to expenditures, and with inflation getting progressively out of hand, it should be obvious even to the financially nearsighted that tax collections must be stepped up to unprecedented proportions.

"In this gigantic money raising task, the taxpayer is entitled to every consideration. Certainly he should not be required to conserve the Government's tax money for a year or longer after the receipt of taxable income. Certainly, temptations for spending this tax money should be removed. That would seem to be only common sense.

"It is indisputable that with the vast broadening of the income tax base, simultaneous collection of the tax with the receipt of taxable income has become a matter of imperative necessity. To the extent that such collections can be made at the source that is obviously desirable. And, tax which is impracticable to collect at the source, should be payable at much shorter intervals than is now the case.

"Also, a reasonable discount should be allowed the taxpayer for paying his full tax at the time his first instalment is due. That is good business for the Government in any event, but under present conditions it would have the additional advantage of curbing spending power and inflation.

"While some such arrangement is sorely needed to correct present collection defects and to bring the money into the Treasury more quickly and efficiently, it would, nevertheless, still fall far short of meeting requirements. Much more new revenue must be raised and it must be done currently and continuously. In short, what we need is a real pay-as-you-go system.

"The very best pay-as-you-go plan that has yet been devised is the retail sales tax. It collects the Government's revenue daily and it is done almost automatically. Under today's conditions, it would also have the effect of putting a brake upon spending, and would provide further inducement for the great mass of our people to invest in our war bonds.

"Such a tax should be superimposed upon and be in addition to our present income taxes."

To Pay On San Paulo 7s

J. Henry Schroder Banking Corp., as special agent on March 3 notified holders of State of San Paulo (United States of Brazil) 7% secured sinking fund gold bonds external waterworks loan of 1926, that it had received funds to pay on or after March 4, 1943, 15.05% of the face amount of the coupons due Sept. 1, 1940, appertaining to these bonds. The payment will amount to $5.2675 for each $35 coupon and $2.63375 for each $17.50 coupon. The announcement says:

"The acceptance of this payment is optional with the holders, but pursuant to the terms of Presidential Decree No. 23829 of Feb. 5, 1934, as modified by Decree-Law No. 2085 of March 8, 1940, payment if accepted must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of Sept. 1, 1940, coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons at the office of the special agent, 48 Wall Street, New York.

"No provision has been made for unpaid coupons which matured prior to April 1, 1934, but they should be retained for future adjustment."

Senate Forms Post-War Planning Committee

Following President Roosevelt's remark that responsibility for post-war planning rests with Congress, the Senate on March 12 passed a resolution setting up a special committee on post-war economic problems.

A nine-member bi-partisan planning committee under the chairmanship of Senator George (Dem., Ga.) was created by the Senate and $50,000 was appropriated to launch an immediate inquiry. The other members of the group are: Senators Barkley (Dem., Ky.), McNary (Rep., Ore.), Hayden (Dem., Ariz.), O'Mahoney (Dem., Wyo.), Lucas (Dem., Ill.), Pepper (Dem., Fla.), Vandenberg (Rep., Mich.), Austin (Rep., Vt.) and Taft (Rep., Ohio).

Senator George, who sponsored the proposal, said that his group will consider all plans and recommendations submitted for post-war programs.

The President, at his press conference on March 12, said that it is up to Congress whether the nation should suffer any delay in providing jobs to men leaving the armed forces and discharged war workers. Mr. Roosevelt said the matter of post-war planning for employment comes to a question of whether there will be jobs only on paper or real jobs ready to start.

The Senate group, it is reported, will study the voluminous reports of the National Resources Planning Board on the subjects of post-war economics and social security.

The House has refused to vote for continuing the work of the Planning Board but the Senate has not yet taken final action on the issue.

Payment On Rio 6½s

City of Rio de Janeiro (Federal District of the United States of Brazil) has remitted funds to White, Weld & Co. and Brown Brothers Harriman & Co., special agents for its 6½% external sinking fund bonds due Feb. 1, 1953, for payment of the Aug. 1, 1940, interest coupons at the rate of 13.975% of their dollar face amount. The announcement states:

"Bondholders will receive payment upon presentation of their coupons beginning March 16 at the New York offices of the special agents, at the rate of $4.541875 per $32.50 coupon, in full satisfaction, according to the notice to bondholders. Unpaid coupons maturing Aug. 1, 1931, to Feb. 1, 1934, must remain attached to the bonds for future adjustment under the decree.

"This payment is being made in accordance with the provisions of Presidential Decree 23829 dated Feb. 5, 1934, of the United States of Brazil, as re-enacted and modified March 8, 1940, by Decree Law 2085."

President Opposes Ruml Pay-Go Tax Plan

Last week President Roosevelt criticized the Ruml pay-as-you-go tax plan as favoring persons with large incomes and reducing the Government's revenue. Mr. Roosevelt is said to have told his press conference he thought it wise to point out that individual taxpayers, particularly those in the higher brackets, would save a great deal of money under the Ruml plan.

The President indicated that his opposition to the Ruml plan was based on figures furnished by the Treasury, showing how individual taxpayers in the higher brackets would save money.

The plan, sponsored by Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, provides that taxes paid this year would be on income earned in 1943, instead of on 1942 income.

The Treasury figures showed that if the 1942 tax liability were forgiven the Treasury would lose $9,815,000,000. This tabulation was referred to by the Associated Press as follows:

The statement showed that 60 persons with incomes of $1,000,000 or more would have a total of $94,000,000 in 1942 income taxes abated or an average of $1,566,666 each.

A person with an income of $1,000,000 would escape a 1942 tax liability of $854,000; for an income of $500,000 the abatement would be $414,000 and for an income of $100,000 it would be $64,060.

A person with an income of $10,000 would benefit by $2,152 in 1942 income taxes while one with an income of $5,000 would find the tax liability of $746 canceled. A person with an income of $1,300 would benefit to the extent of $13.

Wheat-For-Feed Program Extended

The House Agriculture Committee approved on March 3 legislation authorizing the Commodity Credit Corp. to sell an additional 100,000,000 bushels of wheat for feed purposes. The Committee amended the measure to provide that sales must be made at 100% of corn parity. Under the legislation passed last summer, authorizing the sale of 125,000,000 bushels of wheat, the price was set at 85% of corn parity.

Secretary of Agriculture Wickard had urged the Committee on Feb. 24 to enlarge the program since the CCC had disposed of almost all of the 125,000,000 bushels originally earmarked for this purpose. These sales are urgently required, he said, to stimulate additional output of livestock products, particularly milk, eggs and poultry.

The sale of Government-owned wheat for feeding purposes was favored by the American Farm Bureau Federation, but only if the price of wheat is held at 100% of corn parity instead of at 85%. Government officials, however, are opposed to this sale price, contending that it will result in wholesale liquidation in the poultry and dairy industries because cheap feed is necessary to meet present price ceilings.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 16	116.87	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
15	116.87	109.42	117.80	115.43	110.52	95.77	100.16	112.93	115.43
13	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.43
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
11	116.89	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.63
10	116.89	109.24	117.60	115.43	110.34	95.77	100.16	113.12	115.63
9	116.90	109.24	117.60	115.24	110.34	95.62	100.16	112.93	115.43
8	116.93	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.43
6	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
4	117.02	109.42	117.80	115.24	110.34	95.92	100.32	112.93	115.43
3	117.02	109.24	117.60	115.24	110.15	95.77	100.16	112.93	115.43
2	117.07	109.24	117.60	115.24	110.15	95.62	100.16	112.93	115.43
1	117.10	109.24	117.60	115.43	110.15	95.77	100.16	112.93	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.42	117.80	115.43	110.52	95.92	100.32	113.12	115.63
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Mar. 16, 1942	117.52	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.93
2 Years ago									
Mar. 15, 1941	117.90	106.21	117.60	113.31	106.56	90.48	96.54	110.15	113.31

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 16	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
15	2.07	3.20	2.76	2.88	3.14	4.02	3.74	3.01	2.88
13	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.88
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
11	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.87
10	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.00	2.87
9	2.07	3.21	2.77	2.89	3.15	4.03	3.74	3.01	2.88
8	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.01	2.88
6	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
4	2.06	3.20	2.76	2.89	3.15	4.01	3.73	3.01	2.88
3	2.06	3.21	2.77	2.89	3.16	4.02	3.74	3.01	2.88
2	2.06	3.21	2.77	2.89	3.16	4.03	3.74	3.01	2.88
1	2.06	3.21	2.77	2.88	3.16	4.02	3.74	3.01	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.20	2.76	2.88	3.14	4.01	3.73	3.00	2.87
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Mar. 16, 1942	2.01	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.01
2 Years ago									
Mar. 15, 1941	1.99	3.38	2.77	2.99	3.36	4.38	3.97	3.16	2.99

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

February Civil Engineering Construction 35% Above Month Ago

February civil engineering construction, $306,242,000, climbed 35% over the volume for January, but was 52% below the high total for February, 1942, as reported by "Engineering News-Record" on March 10.

Private construction topped its last month's mark by 136%, and public work rose 28%. Federal construction, 33% higher than a month ago, was responsible for the public gain as State and municipal work declined 60% from the January figure. Compared with February, 1942, however, the current private volume was 47% lower, and public construction was down 52%. State and municipal work and Federal volume were 88 and 50% lower, respectively, than in the corresponding month last year.

Civil engineering construction volumes for February, 1942, January, 1943 and February, 1943 are:

	Feb., 1942	Jan., 1943	Feb., 1943
Total Construction	$634,823,000	$226,826,000	$306,242,000
Private Construction	69,284,000	15,498,000	36,561,000
Public Construction	565,539,000	211,328,000	269,681,000
State and Municipal	39,352,000	12,072,000	4,797,000
Federal	526,187,000	199,256,000	264,884,000

The February construction total brought 1943 volume to $533,068,000, an average of $66,634,000 for each of the eight weeks in the two-month period. On the weekly average basis, the 1943 cumulative total was 53% below the $1,263,603,000 reported for the nine weeks in the opening two months of 1942. Private construction, $52,059,000, declined 51% from last year, and public work, $481,009,000, was down 53% when adjusted for the difference in the number of weeks.

New Capital

New capital for construction purposes for February totaled $11,041,000. This compares with $812,549,000 reported for the corresponding month last year.

The month's volume brought 1943 new construction financing to $15,539,000, a volume 99% lower than the $1,372,463,000 for the opening two months of 1942.

Electric Output For Week Ended Mar. 13, 1943 Shows 17.5% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 13, 1943, was approximately 3,944,679,000 kwh., compared with 3,357,444,000 kwh. in the corresponding week last year, an increase of 17.5%. The output for the week ended March 6, 1943, was 16.3% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Mar. 13	Mar. 6	Feb. 27	Feb. 20
New England	7.7	3.6	4.5	4.6
Middle Atlantic	11.7	11.3	8.4	9.2
Central Industrial	16.2	15.0	11.8	13.1
West Central	16.2	14.4	12.8	13.7
Southern States	24.1	20.1	17.7	19.7
Rocky Mountain	13.1	11.9	9.4	14.8
Pacific Coast	25.8	30.6	31.0	30.8
Total United States	17.5	16.3	14.2	15.3

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20		3,357,032		2,983,048	1,514,553	1,683,262
Mar 27		3,345,502		2,975,407	1,480,208	1,679,589

Steel Operations Maintained At High Level—Orders Up Sharply—Deliveries Hold Steady

"A steep upsurge in steel orders is one of the highlights of this week," states "The Iron Age" in its issue of today (March 18), which further goes on to say, in part:

"Mill schedules for April have been filling with directives and CMP orders at a rapid rate. Very large gains are reported at individual companies for the month to date compared with the corresponding February period when most plants were booking at a rate in excess of shipments. Meanwhile the confusion existing over CMP procedure is greater as CMP order volume rises, and there is disagreement over whether Form CMP-6, the form which was scheduled to accompany orders, should be reinstated.

"Efforts of the steel industry to ease the critical shortage of electric furnace alloy steel are gaining headway a little. After months of experimenting, bullet-core wire is now being made from cold-drawn open-hearth steel, a development which releases some electric furnace capacity for other purposes. In the important aircraft field, manufacturers are believed to be looking more kindly upon the use of open-hearth alloy steels for certain purposes where formerly electric furnace steel was considered mandatory. It is interesting to note that output of all alloy steels in January, 1943, was 239% above the average 1929 monthly output, and that currently alloy steel production accounts for about 17½% of the total steel produced. With the drive for the production of more alloy steel in open-hearth furnaces and with the substantial increase in electric steel capacity expected later this year, the per cent of alloy steel to total steel produced will be above the expectations of even the most optimistic observers. It is to be remembered, however, that making open-hearth alloy steel displaces much more than a like amount of carbon steel.

"Attempts to smooth out rough spots in the war steel picture by putting idle inventories to use and by reallocating orders are being speeded over the nation.

"Facing the WPB is the problem of giving the oil industry a 'fair show' for carrying on its work during 1942 by the utilization of various steel stocks throughout the country. It is estimated that actual steel shipments to the oil and gas industry during 1942 were 27% below the 1935 to 1939 yearly average, after having been approximately 35% above that average in 1941. Despite pleas of the Petroleum Administration for War and pressure by oil companies, the WPB consistently refused to loosen up steel supplies for oil well casing and tubing until late in 1942, when the nation's vast reservoir of casing and tubing had been reduced to a mere 260,000 tons."

The American Iron and Steel Institute on March 15 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.3% of capacity for the week beginning March 15, compared with 99.1% one week ago and 98.3% one month ago and 97.9% one year ago. This represents an increase of 0.2 point or 0.2% from the preceding week. The operating rate for the week beginning March 15 is equivalent to 1,719,500 tons of steel ingots and castings, compared to 1,716,100 tons one week ago, 1,702,100 tons one month ago and 1,663,000 tons one year ago.

"Steel", of Cleveland, in its summary of the iron and steel markets, on March 15, stated in part as follows:

"Volume of Controlled Materials Plan orders continues to grow, with increasing emphasis on validation of old contracts. While experience differs, some sellers find most tonnage placed under CMP by manufacturers is for delivery late in second quarter, with the exception of sheets, where a large portion is for April and early May. Deliveries have not been greatly dislocated by the preference which CMP orders are given.

"Many orders under CMP are being received without formal approval and serial numbers. These cause a problem as to disposition. Some mills are putting them through regular order routine but are not placing them on rolling schedules, pending validation. In general, understanding of the new plan is improving but some confusion continues, especially in Class B products. In some cases mills have more tonnage covered by these orders than can be rolled during April.

"Deliveries remain at about the same position as for the past few weeks.

"A survey of the steel and iron scrap situation by the American Iron and Steel Institute leads that body to look at this year's prospects hopefully. Material in steel company yards Jan. 1 was 2,000,000 tons greater than at March 31 and unprocessed scrap in dealers' yards promises a continuing supply as it comes out gradually. Unusual cold and snow recently limited collection and preparation, already slowed by lack of labor. Efforts to correct the latter condition have not been successful. Progress is being made in disposing of the overload of turnings, Steel Division of WPB reporting allocation of 30% more than were handled in January.

"Intensified demand for steel plates to supply the enlarged shipbuilding program and other war industries has resulted in new production records. In February the average daily rate was the highest in history, though the short month precluded a tonnage record. With March three days longer it seems probable all prior output records will go by the board.

"Steel ingot production in February was at the second highest rate in the history of the industry, measured by average weekly output. Except that it is a short month it would have been second in total tonnage. The industry made an average of 1,702,970 net tons weekly, exceeded only in October, 1942, when output was 1,712,159 tons. The industry operated at 98.3% of capacity, compared with 96.6% in January.

"Shortage is developing in cutting tools for metalworking machinery and keeping the industry's equipment supplied is a problem, especially in view of the 500,000 new machines put in service during the past two years. Deliveries of some tools are as much as 10 to 12 months delayed in the case of important manufacturers."

Cotton Council Appoints Garside Research Chief

Alston H. Garside, former economist of the New York Cotton Exchange, has become Director of Economic Research of the National Cotton Council of America. As such, he announces, his activities hereafter "will be devoted to making studies of basic phases of the cotton industry to promote the program of the Council to expand the consumption of American cotton." Mr. Garside states that while the general offices of the National Cotton Council are at 69 Union Street, Memphis, Tenn., his office for economic research will be at 5444 Arlington Avenue, New York City. In indicating that the work he is to do for the National Cotton Council will require his full time, Mr. Garside announces that hence plans which he had made to conduct a cotton information service of his own have been abandoned. Mr. Garside resigned his post with the Cotton Exchange last September after an association of 13 years; as was noted in our issue of Sept. 24, page 1093.

Moody's Daily Commodity Index

Tuesday, March 9	248.5
Wednesday, March 10	247.2
Thursday, March 11	247.3
Friday, March 12	247.1
Saturday, March 13	247.0
Monday, March 15	246.7
Tuesday, March 16	247.3
Two weeks ago, March 2	248.1
Month ago, Feb. 16	246.2
Year ago, March 16	229.4
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, March 3	249.3
Low, Jan. 2	240.2

Wholesale Commodity Index At New Peak During Week Ended Mar. 6, Says Labor Dept.

The U. S. Department of Labor announced on March 11 that the Bureau of Labor Statistics' comprehensive index of prices in primary markets rose 0.2% during the first week of March to a new peak, 102.9% of the 1926 average. Further gains in prices for grains and for fruits and vegetables largely accounted for the advance. The all-commodity index is nearly 1% higher than it was at the same time last month.

The Department's announcement further said:

"**Farm Products and Foods**—Led by an advance of 2.6% for grains, average prices for farm products rose 0.7% during the week. Corn, rye and wheat prices were up about 3% and oats and barley nearly 0.5%. Prices were also higher for flaxseed and alfalfa seed, for onions and sweet potatoes, and for white potatoes in Eastern markets. Weakening prices for hogs caused the index for livestock and poultry to drop slightly notwithstanding an advance of nearly 2% in quotations for steers. Peanuts were down nearly 5% and prices were also lower for lemons and for apples in the Chicago market.

"Average prices for foods in primary markets rose 0.4% during the first week of March largely as a result of higher prices for rye flour, for fruits and vegetables, for eggs and peanut butter and for cured fish. Lower prices were reported for oatmeal and corn meal.

"Higher prices for bran were responsible for an increase of 1% in average prices for cattle feed.

"**Industrial Commodities**—There were comparatively few changes in industrial commodity markets during the week. Quotations for bituminous coal in some areas again rose slightly and fuel oil in the Pennsylvania region and kerosene also advanced. Linseed oil continued to reflect the high prices for flaxseed and rose over 4%. A downward revision in ceiling prices for alcohol caused the index for chemicals and allied products to drop 0.4%, while quotations for oleic acid advanced. Prices for boxboard continued to rise."

The following notation was made:

"During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Feb. 6, 1943, and March 7, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Mar. 6, 1943 from		
Commodity Groups—	3-6 1943	2-27 1943	2-20 1943	2-6 1943	3-7 1942	2-27 1943	2-6 1943	3-7 1942
All commodities	*102.9	*102.7	*102.4	*102.0	96.9	+0.2	+0.9	+ 6.2
Farm products	122.0	121.2	120.0	118.2	101.5	+0.7	+3.2	+20.2
Foods	106.4	106.0	105.7	105.1	95.8	+0.4	+1.2	+11 1
Hides and leather products	118.4	118.4	118.4	118.4	116.4	0	0	+ 1.7
Textile products	96.8	96.8	96.8	96.8	95.1	0	0	+ 1.8
Fuel and lighting materials	80.9	80.7	80.5	80.4	78.5	+0.2	+0.6	+ 3.1
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.7	0	0	+ 0.2
Building materials	110.1	110.0	110.0	110.1	109.9	+0.1	0	+ 0.2
Chemicals and allied products	99.9	100.3	100.3	99.5	97.1	—0.4	+0.4	+ 2.9
Housefurnishing goods	104.1	104.1	104.1	104.1	104.1	0	0	0
Miscellaneous commodities	91.0	90.9	90.7	90.5	89.2	+0.1	+0.6	+ 2.0
Raw materials	111.2	110.6	109.8	108.6	97.1	+0.5	+2.4	+14.5
Semimanufactured articles	92.9	92.8	92.8	92.5	92.0	+0.1	+0.4	+ 1.0
Manufactured products	*100.6	*100.5	*100.5	*100.4	97.7	+0.1	+0.2	+ 3.0
All commodities other than farm products	*98.7	*98.7	*98.6	*98.5	95.9	0	+0.2	+ 2.9
All commodities other than farm products and foods	*96.6	*96.5	*96.4	*96.4	95.1	+0.1	+0.2	+ 1.6

*Preliminary.

Civil Engineering Construction Gains 5% Over Week Ago

Civil engineering construction volume for the week, $90,400,000, is 5% higher than in the preceding week, but is 32% below the total for the corresponding 1942 week as reported by "Engineering News-Record" on March 11. Public construction tops last week by 7% due to the 10% gain in Federal work. Private work, however, is 16% below a week ago. Comparisons with the 1942 week reveal public volume 29% lower; private work down 63%; and Federal construction off 24%.

The current week's construction brings 1943 volume to $709,277,000, an average of $70,928,000 for each of the ten weeks of the year. On the weekly average basis, 1943 volume is 49% below the $1,542,271,000 reported for the eleven-week period last year. Private work, $61,893,000, is 56% lower, and public work is down 49% when adjusted for the difference in the number of weeks.

Civil engineering construction volumes for the 1942 week, last week and this week are:

	Mar. 12, 1942	Mar. 4, 1943	Mar. 11, 1943
Total Construction	$133,267,000	$85,809,000	$90,400,000
Private Construction	12,167,000	5,351,000	4,483,000
Public Construction	121,100,000	80,458,000	85,917,000
State and Municipal	11,052,000	3,923,000	2,089,000
Federal	110,048,000	76,535,000	83,828,000

In the classified construction groups, gains over last week are in bridges, streets and roads, and unclassified construction. Increases over the 1942 week are in sewerage and unclassified construction. Subtotals for the week in each class of work are: waterworks, $639,000; sewerage, $1,550,000; bridges, $578,000; industrial buildings, $1,492,000; commercial building and large-scale private housing, $2,848,000; public buildings, $42,755,000; streets and roads, $3,422,000; earthwork and drainage, $47,000, and unclassified construction, $37,069,000.

New capital for construction purposes for the week totals $29,720,000, an increase of 377% over the volume for the 1942 week. The week's new financing total is made up of $26,632,000 in State and municipal bond sales, and $3,088,000 in Government loans for public housing.

New construction financing for the year to date, $58,759,000, is 95% below the $1,382,371,000 reported for the opening eleven-week period in 1942.

Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on March 9 that as of the close of business February 27, there were 1,133 bond issues aggregating $72,961,678,106 par value listed on the Stock Exchange with a total market value of $71,346,452,352. This compares with 1,132 bond issues, aggregating $72,880,365,437 par value, listed on the Exchange on January 30 with a total market value of $71,038,674,932.

In the following table listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

	Feb. 27, 1943		Jan. 30, 1943	
Group—	Market Value $	Average Price $	Market Value $	Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	55,153,775,740	104.25	55,170,520,688	104.29
U. S. companies:				
Amusements	38,498,652	103.09	38,281,254	102.51
Automobile	11,727,978	101.51	11,694,151	101.21
Building	13,541,441	100.25	13,166,896	97.48
Business and office equipment	15,487,500	103.25	15,431,250	102.88
Chemical	76,029,113	102.60	75,635,725	102.07
Electrical equipment	36,450,000	104.40	36,318,750	103.77
Financial	57,509,664	102.13	57,492,936	102.10
Food	235,754,318	105.06	235,360,219	104.73
Land and realty	10,023,958	74.60	9,993,750	74.38
Machinery and metals	39,656,875	100.27	39,605,903	100.14
Mining (excluding iron)	89,311,086	57.70	88,117,086	56.85
Paper and publishing	40,951,805	101.47	40,729,173	100.94
Petroleum	595,374,515	104.22	594,488,716	103.79
Railroad	7,021,723,353	69.05	6,820,418,100	67.05
Retail merchandising	12,158,362	84.91	12,107,994	84.56
Rubber	75,350,333	102.83	75,475,333	103.00
Ship building and operating	11,615,400	101.25	11,529,360	100.50
Shipping services	19,181,589	69.71	19,436,045	70.64
Steel, iron and coke	498,893,744	100.19	506,097,510	100.26
Textiles	37,442,750	103.01	37,560,510	103.33
Tobacco	147,909,747	106.06	147,326,648	105.64
Utilities:				
Gas and electric (operating)	3,360,022,316	108.16	3,330,813,597	107.86
Gas and electric (holding)	97,057,438	102.18	96,467,875	101.20
Communications	1,219,859,578	108.99	1,212,296,706	108.31
Miscellaneous utilities	87,971,130	60.39	87,821,009	60.11
U S. companies oper. abroad	123,948,572	68.38	122,941,999	67.77
Miscellaneous businesses	31,568,160	106.28	31,382,643	105.66
Total U. S. companies	14,005,079,377	82.70	13,767,991,138	81.33
Foreign government	1,452,938,045	63.89	1,364,153,547	62.26
Foreign companies	734,659,690	86.39	736,009,559	85.80
All listed bonds	71,346,452,852	97.79	71,038,674,932	97.47

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1941—	Market Value $	Average Price $	1942—	Market Value $	Average Price $
Jan. 31	50,374,446,095	93.05	Feb. 28	57,584,410,504	95.13
Feb. 28	50,277,456,796	92.72	Mar. 31	58,140,382,211	95.97
Mar. 31	52,252,053,607	93.73	Apr. 30	57,923,553,616	95.63
Apr. 30	52,518,036,554	94.32	May 29	59,257,509,674	95.64
May 30	52,321,710,056	94.22	June 30	59,112,072,945	95.50
June 30	53,237,234,699	94.80	July 31	61,277,620,583	95.76
July 31	53,259,696,637	95.04	Aug. 31	62,720,371,752	96.08
Aug. 30	53,216,867,646	94.86	Sept. 30	62,765,776,218	96.18
Sept. 30	53,418,055,935	94.74	Oct. 31	64,843,877,284	96.48
Oct. 31	55,106,635,894	95.25	Nov. 30	64,543,971,299	96.11
Nov. 29	54,812,793,945	94.80	Dec. 31	70,583,644,622	96.70
Dec. 31	55,033,616,312	94.50	1943—		
1942—			Jan. 30	71,038,674,932	97.47
Jan. 31	56,261,398,371	95.24	Feb. 27	71,346,452,852	97.79

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Increased In February

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of February, 1943, amounted to 1,691,592 net tons, compared with 1,685,993 net tons in the preceding month, an increase of 5,599 net tons, and with 1,616,587 net tons in the corresponding month in 1942, an increase of 75,005 net tons.

For the year 1943, to date, shipments were 3,377,585 net tons, compared with 3,355,480 net tons in the comparable period of 1942, an increase of 22,105 net tons.

February, 1943, shipments were the highest for any February in the corporation's history. Combined January and February shipments were the highest first two months.

In the table below we list the figures by months for various periods since January, 1929:

	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	------	·1,780,938	1,720,366	931,905	845,108	1,605,510
April	------	1,758,894	1,687,674	907,904	771,752	1,617,302
May	------	1,834,127	1,745,295	1,084,057	795,689	1,701,874
June	------	1,774,068	1,668,637	1,209,684	607,562	1,529,241
July	------	1,765,749	1,666,667	1,296,887	745,364	1,480,008
August	------	1,788,650	1,753,665	1,455,604	885,636	1,500,231
September	------	1,703,570	1,664,227	1,392,838	1,086,683	1,262,874
October	------	1,787,501	1,851,279	1,572,408	1,345,855	1,333,385
November	------	1,665,545	1,624,186	1,425,352	1,406,205	1,110,050
December	------	1,849,635	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	------	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust.	------	------	*42,333	37,639	*44,865	*12,827
Total	------	------	20,416,604	15,013,749	11,707,251	16,812,650

*Decrease.

NOTE—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

President Greets New Congressmen At Get-Acquainted Session At White House

New members of Congress who took their seats in January were guests of President Roosevelt at a get-acquainted session at the White House, on March 10.

Knowledge of the President's unusual invitation came simultaneously with the organization on Feb. 26 of some 40 Democratic "freshmen" Representatives, who were reported as banding together around a luncheon table to "make a contribution to the thinking of the Administration." The gathering arranged by the President for the 117 new members of Congress was said to be purely social with no formal speeches. The President's main purpose for the affair was to have an opportunity to meet and talk briefly with the new Senators and Representatives. In his letter of invitation, Mr. Roosevelt had explained that nowadays it was very difficult for him to arrange to see all the new members, adding that it took a long time at the last session of Congress.

Regarding the meeting, the Associated Press on March 10 reported that it was generally interpreted as a conciliatory gesture from the Administration toward Congress. Vice-President Wallace, as President of the Senate; Speaker of the House Rayburn and House Majority Leader McCormack also were in attendance.

Mr. Roosevelt's letter, as received by one new member, said:

"In days like these it is very difficult for me to arrange to see all of the new Senators and Congressmen. At the last session it took a long time before I had a chance to meet the new members—and some of them, I fear, I did not have the opportunity to meet at all.

"Therefore, I am asking all of the new members of the Senate and the House to come to the White House on Wednesday evening, March 10, very informally (business suits), at 8:30 p.m. so that we can have an opportunity to see and talk to each other.

"I hope much that you will be able to come at that time."

NYSE Short Interest Higher On Feb. 26

The New York Stock Exchange announced on March 12 that the short interest existing as of the close of business on the Feb. 26 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 663,750 shares, compared with 579,394 shares on Jan. 29, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Feb. 26 settlement date, the total short interest in all odd-lot dealers' accounts was 35,867 shares, compared with 34,117 shares on Jan. 29.

The Exchange's announcement added:

"Of the 1,241 individual stock issues listed on the Exchange on Feb. 26, there were 33 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of Feb. 26, exclusive of odd-lot dealers' short positions, was 552 compared with 492 on Jan. 29."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1941—	
Feb. 28	487,151
Mar. 31	537,613
April 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
April 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053
Dec. 31	501,833
1943—	
Jan. 29	579,394
Feb. 26	663,750

*Revised.

Daily Average Crude Oil Production For Week Ended March 6, 1943 Increased 14,150 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 6, 1943, was 3,887,200 barrels, a gain of 14,150 barrels over the preceding week. The current figure, however, was 47,150 barrels per day less than during the corresponding period last year, and was 306,600 barrels below the daily average figure as recommended by the Petroleum Administration for War for the month of March 1943. Daily production for the four weeks ended March 6, 1943, averaged 3,876,350 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,626,000 barrels of crude oil daily and produced 10,058,000 barrels of gasoline; 3,731,000 barrels of distillate fuel oil, and 7,106,000 barrels of residual fuel oil during the week ended March 6, 1943; and had in storage at the end of that week 92,845,000 barrels of gasoline; 31,668,000 barrels of distillate fuels and 68,782,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations March	*State Allowables Mar. 1 Beginning	—Actual Production— Week Ended Mar. 6 1943	Change From Previous Week	4 Weeks Ended Mar. 6 1943	Week Ended Mar. 7 1942
Oklahoma	390,700	390,700	†342,300	— 8,150	348,250	392,000
Kansas	309,900	309,900	†299,100	— 7,300	305,500	233,100
Nebraska	2,800		†2,500	— 50	2,500	3,900
Panhandle Texas			88,600	— 300	88,850	89,750
North Texas			135,200	— 150	135,300	149,250
West Texas			218,000	+ 4,100	214,950	263,300
East Central Texas			99,800	— 2,450	100,500	90,900
East Texas			323,400	— 1,700	324,650	368,200
Southwest Texas			173,050	+ 6,700	163,750	216,050
Coastal Texas			354,200	+ 34,600	328,950	296,000
Total Texas	1,502,000	‡1,501,801	1,392,250	+ 40,800	1,356,950	1,473,450
North Louisiana			89,500	— 250	90,400	81,550
Coastal Louisiana			250,600	+ 4,050	247,550	268,450
Total Louisiana	349,800	370,300	340,100	+ 3,800	337,950	350,000
Arkansas	78,700	74,826	72,100	— 3,050	74,550	69,850
Mississippi	50,000		†54,950	+ 1,650	55,050	84,250
Illinois	262,300		238,000	+ 9,500	238,600	337,050
Indiana	16,500		†16,400	+ 300	15,500	20,950
Eastern (not incl. Ill. & Ind.)	115,000		88,300	—12,200	91,500	92,250
Michigan	63,700		57,900	+ 400	59,300	48,600
Wyoming	92,500		87,250	— 3,300	89,100	85,250
Montana	23,400		17,800	— 4,150	20,650	21,450
Colorado	7,000		6,650	+ 100	6,900	5,550
New Mexico	105,800	105,800	96,600	----	96,600	92,550
Total East of Calif.	3,370,100		3,112,200	+ 20,350	3,098,900	3,310,200
California	823,700	§823,700	775,000	— 6,200	777,450	624,150
Total United States	4,193,800		3,887,200	+ 14,150	3,876,350	3,934,350

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,500; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. March 3.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 6, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are ——therefore on a Bureau of Mines basis——

District—	Daily Refining Capacity Potential Rate	% Reporting	Crude Runs to Stills Daily Average	% Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,638	67.0	4,473	39,342	14,515	9,649
Appalachian	177	84.8	154	87.0	400	2,892	726	532
Ind., Ill., Ky.	811	85.0	723	89.1	2,240	20,211	3,496	2,783
Okla., Kansas, Mo.	416	80.1	360	86.5	1,108	7,517	1,528	1,427
Rocky Mountain	147	48.0	86	58.5	313	2,080	376	538
California	817	89.9	665	81.4	1,524	20,803	11,027	53,853
Tot. U. S. B. of M. basis March 6, 1943	4,812	86.2	3,626	75.4	10,058	†92,845	31,668	68,782
Tot. U. S. B. of M. basis Feb. 27, 1943	4,812	86.2	3,709	77.1	10,566	93,157	32,939	70,140
U. S. Bur. of Mines basis March 7, 1942			3,520		11,404	108,997	32,742	86,669

*At the request of the Petroleum Administration for War. †Finished, 82,758,000 barrels; unfinished, 10,087,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,731,000 barrels of gas oil and distillate fuel and 7,106,000 barrels of residual fuel oil produced in the week ended March 6, 1943, which compared with 4,230,000 barrels and 7,839,000 barrels, respectively, in the preceding week and 3,681,000 barrels and 6,411,000 barrels, respectively, in the week ended March 7, 1942.

February Retail Prices Continue Unchanged, According To Fairchild Publication Index

The month of February is the eighth consecutive month to find the Fairchild Publications Retail Price Index at the same level. It remains 113.1. This shows only a 1.1% increase over March 1, 1942, following one of 2.6% for Feb. 1, 1943 over last year. This indicates that while prices are still slightly higher than last year at this time, the spread is gradually getting much narrower. Prices are still 27.2% greater than the 1939 period just before the outbreak of war.

The Fairchild Publications' announcement, issued March 15, further said:

"For the second time since the composite index has remained stationary, there has been no movement recorded by any of the five major groups. This month, instead of piece goods which for the most part has shown the greatest rise over last year, men's apparel increased the most with a percentage rise of 2.5%. Piece goods, women's apparel and infants' wear all show the same advance over last year, 1.3%. As has been noticed in the composite index, the spread in the major groups and also in the individual commodities is becoming very narrow. Piece goods still continue to show the most advance over the 1939 period, and infants' wear the smallest.

"Only four of the individual commodities recorded any change at all during February. Aprons and housedresses, men's hose and floor coverings advanced 0.1%. Fur decreased 0.1%. All the items with the exception of two showed some rise over 1942. Furs dropped 0.6%, and furniture dropped 0.5%. The greatest increase occurred in men's hose, 3.1%, followed by corsets and brassieres, women's hose, men's underwear, and men's shoes. The least advance was shown by women's underwear, infants' shoes, infants' underwear, and women's shoes. The comparison with the period just preceding the outbreak of war in 1939 shows that furs continue to show the largest advance, 49.8%, and women's shoes the smallest, 6.8%.

"With prices at the same level they have been for the past eight months, it still seems probable that they will continue to show little or no movement in the near future, according to A. W. Zelomek, economist under whose supervision the index is compiled. Whatever movement has been shown by the individual commodities or which might be shown by them, have been and probably will be due to the various price regulations which permit adjustment of the ceiling prices."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May 1, 1933	Mar. 1, 1942	Dec. 1, 1942	Jan. 2, 1942	Feb. 1, 1943	Mar. 1, 1943
Composite Index	69.4	111.9	113.1	113.1	113.1	113.1
Piece Goods	65.1	110.8	112.2	112.2	112.2	112.2
Men's Apparel	70.7	102.7	105.3	105.3	105.3	105.3
Women's Apparel	71.8	111.2	112.5	112.6	112.6	112.6
Infants' Wear	76.4	106.7	108.0	108.1	108.1	108.1
Home Furnishings	70.2	114.3	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	83.9	84.7	84.7	84.7	84.7
Woolens	69.2	106.6	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	141.8	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	124.9	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	132.0	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	91.5	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	138.4	140.5	140.5	140.5	140.6
Corsets & Brassieres	83.6	108.1	111.2	111.2	111.2	111.2
Furs	66.8	135.3	134.3	134.5	134.6	134.5
Underwear	69.2	102.1	102.7	102.7	102.7	102.7
Shoes	76.5	91.6	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	104.9	108.0	108.0	108.0	108.1
Underwear	69.6	111.7	114.8	114.8	114.8	114.8
Shirts & Neckwear	74.3	97.9	99.1	99.1	99.1	99.1
Hats & Caps	69.7	91.8	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	103.4	105.9	105.9	106.0	106.0
Shoes	76.3	106.6	109.6	109.6	109.6	109.6
Infants' Wear						
Socks	74.0	112.0	114.5	114.5	114.5	114.5
Underwear	74.3	102.8	103.6	103.7	103.7	103.7
Shoes	80.9	105.2	106.0	106.0	106.0	106.0
Furniture	69.4	129.8	129.2	129.2	129.2	129.2
Floor Coverings	79.9	144.8	146.8	146.8	146.8	146.9
Radios	50.6	66.6	66.8	66.8	66.8	66.8
Luggage	60.1	93.3	94.7	94.7	94.7	94.7
Electrical Household Appliances	72.5	92.7	93.5	93.5	93.5	93.5
China	81.5	109.6	110.6	110.6	110.6	110.6

NOTE—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

Non-Ferrous Metals—Limitation Orders For Antimony, Lead And Cobalt Eased Moderately

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of March 11, stated: "In those non-ferrous metals in which the supply situation has shown steady improvement the trend in Washington is to ease up on the regulations limiting consumption. During the last week, WPB modified the limitation orders for antimony, lead, and cobalt. However, extreme caution is being exercised by WPB in the matter of lifting any of the restrictions.

◆

Though progress has been slow in modifying existing regulations, producers of the metals involved feel that the trend is in the right direction. Prices of major metals showed no change last week." The publication further went on to say in part:

Copper

Importations of copper have been holding at the same high level established during the last quarter of 1942. Prices being paid for foreign metal by Metals Reserve remain unchanged. Some new domestic production is scheduled to come into the picture this spring. Quotations in the domestic market last week were unchanged.

Allocations of copper chemicals were placed on a quarterly instead of a monthly basis on March 5 in an amendment to General Preference Order M-227. This was done to enable producers and consumers of these chemicals to plan production and consumption over a longer period, with resultant economies in operation. Copper chemicals are defined as copper sulphate, carbonate, oxide, nitrate, chloride and cyanide.

Lead

Demand for lead has been increasing. Additional tonnages have been released by Metals Reserve for delivery this month. Lead oxide has been moving at a good rate. March lead needs of consumers are about 85% covered, with April close to 40%.

Limitation Order L-64 has been amended by WPB, permitting use of more lead in the manufacture of caskets.

Zinc

Most of the zinc that is being allocated is moving either to brass mills or die casters. The price situation in zinc remains unchanged. Loss by fire of another large mill in the Tri-State area may complicate matters in treating ore produced in that area.

Antimony

The trade looks for a moderate increase in the use of primary antimony under an amended version of General Preference Order M-112 issued by WPB on March 8. An analysis of the supply situation under the war economy points to a surplus over demand.

Restrictions have been relaxed on use of antimony in automotive battery plates and permissible alloys. Scrap figures largely in the production of battery plates, and additions to the alloy of primary antimony at present are not expected to be heavy.

Restrictions that apply to the antimony content of inorganic pigments, toys, decorative objects and ornaments remain unchanged.

Use of antimony in any form for the manufacture of white pigments, opacifiers, or frits for non-acid resisting ceramic enamels is allowed under the amended order.

Unallocated deliveries to individual customers have been raised from the 25-pound limit to quantities up to 2,240 pounds a month.

No change has been made in the 50-ton limit on the permissible antimony content of unallocated ores and concentrates that may be shipped by a producer during any one calendar month from mines located in the continental United States and Alaska.

Cobalt

General Preference Order M-39 was amended March 8, relaxing restrictions to the extent that the metal is now on a straight allocation basis. Previously, use of cobalt was limited to alloys entering into the production of 11 purposes listed in the regulations. Deliveries of 25 pounds of contained cobalt to any one person in any one month, or deliveries of any amount to subsidiaries of RFC, may be made without specific authorization.

Tin

The price situation in tin was unchanged. "Grade A" or Straits quality metal for shipment follows:

	March	April	May
March 4	52.000	52.000	52.000
March 5	52.000	52.000	52.000
March 6	52.000	52.000	52.000
March 8	52.000	52.000	52.000
March 9	52.000	52.000	52.000
March 10	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

Conditions surrounding the marketing of quicksilver have not changed, with the result that quotations in New York continued last week at $196 @ $198 per flask.

Silver

Senator McCarran (Nevada) said on March 4 that an appropriations subcommittee had voted unanimously to strike from the Treasury-Postoffice bill a House-approved amendment which would withhold funds from the Treasury for the future purchase and transportation of silver under the Silver Purchase Act. He predicted that the Senate also would vote to kill the House amendment, should the matter come up for consideration.

The silver market in London has been quiet, with the price unchanged at 23½d. The New York Official and the Treasury prices are also unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended March 6 is estimated at 12,350,000 net tons, indicating a decrease of 2.6% from the preceding week. Compared with 10,263,000 tons produced in the corresponding week of 1942, the week ended March 6 shows an increase of 20.3%. For the current year to date, soft coal production was 4.6% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 6 was estimated at 1,243,000 tons, a decrease of 35,000 tons (2.7%) from the preceding week. When compared with the output in the corresponding week of 1942, however, there was an increase of 64,000 tons, or 5.4%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended March 6 showed a decrease of 5,200 tons when compared with the output for the week ended Feb. 27. The quantity of coke from beehive ovens decreased 4,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL
In Net Tons (000 omitted)

Bituminous coal and lignite—	Week Ended— Mar. 6 1943	Feb. 27 1943	Mar. 7 1942	January 1 to Date— *Mar. 6 1943	Mar. 7 1942	Mar. 6 1937
Total, incl. mine fuel	12,350	12,680	10,263	108,399	103,669	95,339
Daily average	2,058	2,113	1,711	1,971	1,851	1,737

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

Penn. anthracite—	Week Ended— §Mar. 6 1943	Feb. 27 1943	Mar. 7 1942	Calendar Year to Date— Mar. 6 1943	Mar. 7 1942	Mar. 9 1929
*Total, incl. colliery fuel	1,243,000	1,273,000	1,179,000	10,649,000	10,483,000	15,042,000
†Commercial production	1,193,000	1,227,000	¶1,132,000	10,223,000¶	10,064,000	13,959,000
Beehive coke—						
United States total	163,100	167,900	151,800	1,449,400	1,408,500	1,167,000
By-product coke—						
United States total	1,218,900	1,224,100	1,163,200	11,296,900	11,054,800	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended— Feb. 27 1943	Feb. 20 1943	Feb. 28 1942	Mar. 1 1941	Feb. 27 1937	Feb. avge ¶1923
Alabama	383	390	377	380	304	409
Alaska	6	6	6	3	2	**
Arkansas and Oklahoma	110	107	69	88	50	87
Colorado	178	171	186	165	197	231
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,552	1,493	1,350	1,351	1,493	1,993
Indiana	544	503	561	516	500	613
Iowa	62	65	81	80	116	136
Kansas and Missouri	205	194	162	189	192	174
Kentucky—Eastern	1,059	998	834	887	916	556
Kentucky—Western	342	322	276	243	322	226
Maryland	37	35	41	38	42	51
Michigan	8	6	9	6	23	26
Montana (bituminous and lignite)	101	112	61	69	68	80
New Mexico	41	40	32	26	45	58
North and South Dakota (lignite)	58	72	53	69	71	**37
Ohio	727	718	673	586	653	694
Pennsylvania (bituminous)	2,792	2,696	2,946	2,851	2,813	3,087
Tennessee	162	155	152	155	119	127
Texas (bituminous and lignite)	6	6	6	8	16	23
Utah	133	139	114	79	112	96
Virginia	463	425	349	348	307	212
Washington	41	45	38	39	46	77
*West Virginia—Southern	2,490	2,340	2,045	2,022	2,052	1,127
†West Virginia—Northern	978	917	886	777	731	673
Wyoming	200	203	145	121	157	156
‡Other Western States	1	1	††	††	1	**7
Total bituminous and lignite	12,680	12,160	11,452	11,096	11,348	10,956
§Pennsylvania anthracite	1,278	1,133	1,295	1,130	718	1,902
Total all coal	13,958	13,293	12,747	12,226	12,066	12,858

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Bank Debits For Month Of February

The Board of Governors of the Federal Reserve System issued on March 10 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Feb. 1943	Feb. 1942	—3 Months Ended— Feb. 1943	Feb. 1942
Boston	2,615	2,452	9,083	8,560
New York	21,365	15,760	69,004	57,201
Philadelphia	2,491	2,268	8,344	8,094
Cleveland	3,496	3,081	12,113	10,865
Richmond	1,961	1,747	6,620	5,920
Atlanta	1,712	1,513	5,738	5,089
Chicago	7,877	6,275	26,124	22,182
St. Louis	1,542	1,378	5,228	4,826
Minneapolis	900	773	3,087	2,734
Kansas City	1,827	1,367	6,043	4,749
Dallas	1,391	1,187	4,738	4,120
San Francisco	4,693	3,743	15,515	12,390
†Total, 274 centers	51,871	41,545	171,641	146,732
*New York City	19,635	14,242	63,433	52,088
*140 other centers	28,005	23,543	93,830	81,704
†133 other centers	4,230	3,760	14,377	12,941

*Included in the national series covering 141 centers, available beginning in 1919.

†Excluding centers for which figures were not collected by the Board before May, 1942.

Trading On New York Exchanges

The Securities and Exchange Commission made public March 15 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 27, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 27 (in round-lot transactions) totaled 2,407,810 shares, which amount was 15.07% of total transactions on the Exchange of 7,992,370 shares. This compares with member trading during the week ended Feb. 20, of 1,942,675 shares or 13.06% of total trading of 7,438,990 shares. On the New York Curb Exchange, member trading during the week ended Feb. 27 amounted to 367,698 shares, or 13.68% of the total volume of that Exchange of 1,343,458 shares; during the Feb. 20 week trading for the account of Curb members of 404,002 shares was 12.33% of total trading of 1,638,515 shares.

The Commission made available the following data for the week ended Feb. 27:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	680
1. Reports showing transactions as specialists	171	79
2. Reports showing other transactions initiated on the floor	205	35
3. Reports showing other transactions initiated off the floor	237	80
4. Reports showing no transactions	442	331

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 27, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	145,200	
‡Other sales	7,847,170	
Total sales	7,992,370	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	577,030	
Short sales	85,110	
‡Other sales	544,570	
Total sales	629,680	7.56
2. Other transactions initiated on the floor—		
Total purchases	431,790	
Short sales	19,700	
‡Other sales	352,540	
Total sales	372,240	5.03
3. Other transactions initiated off the floor—		
Total purchases	171,135	
Short sales	19,850	
‡Other sales	206,085	
Total sales	225,935	2.48
4. Total—		
Total purchases	1,179,955	
Short sales	124,660	
‡Other sales	1,103,195	
Total sales	1,227,855	15.07

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 27, 1943

	Total for week	†Per cent
A. Total Round-Lot Sales:		
Short sales	7,255	
‡Other sales	1,336,203	
Total sales	1,343,458	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	108,398	
Short sales	4,970	
‡Other sales	113,350	
Total sales	118,320	8.44
2. Other transactions initiated on the floor—		
Total purchases	34,510	
Short sales	1,200	
‡Other sales	18,870	
Total sales	20,070	2.03
3. Other transactions initiated off the floor—		
Total purchases	39,805	
Short sales	0	
‡Other sales	46,595	
Total sales	46,595	3.21
4. Total—		
Total purchases	182,713	
Short sales	6,170	
‡Other sales	178,815	
Total sales	184,985	13.68
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	484	
§Customers' other sales	42,039	
Total purchases	42,523	
Total sales	30,700	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Mar. 13 a summary for the week ended March 6 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 6, 1943

Odd-Lot Sales by Dealers: (Customers' purchases)	Total for Week
Number of Orders	27,023
Number of Shares	788,294
Dollar Value	23,951,910
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	254
*Customers' other sales	23,810
Customers' total sales	24,064
Number of Shares:	
Customers' short sales	7,307
*Customers' other sales	659,113
Customers' total sales	666,420
Dollar value	18,702,977
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	250
†Other sales	128,130
Total sales	128,380
Round-Lot Purchases by Dealers—	
Number of shares	244,640

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended March 6, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 434 mills reporting to the National Lumber Trade Barometer exceeded production by 10.5% for the week ended March 6, 1943. In the same week new orders of these mills were 3.3% greater than production. Unfilled order files in the reporting mills amounted to 89% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 40 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.7%; orders by 21.9%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 25.5% greater; shipments were 15.9% greater, and orders were 17.8% greater.

Pay Rise For NY Pressmen

The Publishers Association of New York City announced on Feb. 25 that an arbitration award made last year for a new contract between 13 members of the association and the New York Newspaper Printing Pressmen's Union, Local 2, providing for an increase of 50 cents a shift for the pressmen, had been sustained in full by the International Arbitration Board of the Union and the American Newspaper Publishers Association. The New York "Times" of Feb. 26, from which we quote, added:

"Affirmation of the award by the International Board, headed by Prof. Willard E. Hotchkiss of the Carnegie Institute of Technology, came after the award had been appealed by the local union on 13 grounds. The seven-man International Arbitration Board considered the appeal at meetings in Pittsburgh during the last few weeks."

The award was referred to in these columns Aug. 20, 1942, page 637.

Revenue Freight Car Loadings During Week Ended Mar. 6, 1943 Amounted To 748,890 Cars

Loading of revenue freight for the week ended March 6, 1943 totaled 748,890 cars, the Association of American Railroads announced on March 11. This was a decrease below the corresponding week of 1942 of 21,595 cars or 2.8%, but an increase above the same week in 1941 of 6,273 cars or 0.8%.

Loading of revenue freight for the week of March 6 decreased 33,965 cars, or 4.3% below the preceding week.

Miscellaneous freight loading totaled 349,510 cars, a decrease of 24,876 cars below the preceding week, and a decrease of 7,971 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 93,729 cars, a decrease of 38 cars below the preceding week, and a decrease of 54,784 cars below the corresponding week in 1942.

Coal loading amounted to 174,617 cars, a decrease of 3,922 cars below the preceding week, but an increase of 29,399 cars above the corresponding week in 1942.

Grain and grain products loading totaled 50,440 cars, a decrease of 211 cars below the preceding week, but an increase of 12,084 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of March 6 totaled 35,189 cars, an increase of 346 cars above the preceding week and an increase of 10,840 cars above the corresponding week in 1942.

Livestock loading amounted to 12,850 cars, an increase of 451 cars above the preceding week, and an increase of 2,161 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of March 6 totaled 9,644 cars, an increase of 496 cars above the preceding week, and an increase of 1,814 cars above the corresponding week in 1942.

Forest products loading totaled 39,499 cars, a decrease of 3,731 cars below the preceding week and a decrease of 3,633 cars below the corresponding week in 1942.

Ore loading amounted to 13,024 cars, a decrease of 1,630 cars below the preceding week and a decrease of 317 cars below the corresponding week in 1942.

Coke loading amounted to 15,221 cars, a decrease of eight cars below the preceding week, but an increase of 1,466 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas, and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern, Allegheny and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
Week of March 6	748,890	770,485	742,617
Total	7,335,379	7,751,906	7,063,591

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 6, 1943. During this period only 45 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED MARCH 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	256	639	517	1,339	1,512
Bangor & Aroostock	2,409	2,314	2,057	285	216
Boston & Maine	6,176	8,006	8,282	15,627	16,080
Chicago, Indianapolis & Louisville	1,295	1,594	1,320	1,990	2,358
Central Indiana	55	23	21	63	59
Central Vermont	1,092	1,397	1,298	2,152	2,501
Delaware & Hudson	6,076	6,745	6,456	12,144	12,571
Delaware, Lackawanna & Western	7,353	8,804	9,756	11,610	9,609
Detroit & Mackinac	241	283	182	119	171
Detroit, Toledo & Ironton	1,617	2,063	3,120	1,918	1,548
Detroit & Toledo Shore Line	299	365	416	3,846	3,377
Erie	12,309	13,518	14,219	19,097	16,191
Grand Trunk Western	3,562	4,509	6,188	9,256	8,873
Lehigh & Hudson River	169	202	194	3,395	3,858
Lehigh & New England	1,916	1,983	1,699	1,553	1,640
Lehigh Valley	6,907	8,684	9,212	11,951	10,010
Maine Central	2,495	3,167	3,482	4,173	4,132
Monongahela	6,289	5,975	6,093	460	449
Montour	2,421	2,060	2,206	18	41
New York Central Lines	46,356	44,109	46,829	57,197	52,121
N. Y., N. H. & Hartford	9,463	11,964	10,917	19,243	19,179
New York, Ontario & Western	862	1,176	1,116	2,653	2,708
New York, Chicago & St. Louis	6,724	6,970	5,643	16,540	14,664
N. Y., Susquehanna & Western	432	551	440	2,919	1,669
Pittsburgh & Lake Erie	7,522	7,827	7,993	7,885	6,949
Pere Marquette	4,416	5,173	6,332	7,922	6,489
Pittsburg & Shawmut	827	534	616	12	42
Pittsburg, Shawmut & North	341	416	412	274	296
Pittsburgh & West Virginia	811	659	780	4,070	2,192
Rutland	323	507	595	976	1,185
Wabash	5,467	5,763	5,979	12,560	11,491
Wheeling & Lake Erie	4,955	4,732	4,383	6,216	3,937
Total	151,336	162,712	168,753	239,463	218,118
Allegheny District—					
Akron, Canton & Youngstown	681	725	586	1,383	1,032
Baltimore & Ohio	38,576	38,216	37,307	28,034	24,909
Bessemer & Lake Erie	2,876	3,359	3,604	1,401	1,469
Buffalo Creek & Gauley	258	248	277	2	3
Cambria & Indiana	1,938	1,854	1,765	1	8
Central R. R. of New Jersey	6,540	7,840	7,263	21,097	18,263
Cornwall	598	603	587	92	62
Cumberland & Pennsylvania	282	293	321	13	31
Ligonier Valley	130	109	170	44	40
Long Island	806	928	731	3,817	3,755
Penn-Reading Seashore Lines	1,568	1,840	1,337	2,409	2,162
Pennsylvania System	70,830	77,038	73,714	62,264	57,526
Reading Co.	14,124	15,685	16,390	30,884	27,158
Union (Pittsburgh)	20,621	19,643	19,993	4,457	3,864
Western Maryland	4,004	3,831	3,973	14,405	10,789
Total	163,832	172,212	167,998	170,303	151,071
Pocahontas District—					
Chesapeake & Ohio	29,132	21,161	25,236	11,768	10,058
Norfolk & Western	22,888	19,254	22,478	7,006	6,019
Virginian	4,726	3,545	4,632	2,138	2,217
Total	56,746	43,960	52,346	20,912	18,288
Southern District—					
Alabama, Tennessee & Northern	236	273	268	403	423
Atl. & W. P.—W. R. R. of Ala.	841	896	841	2,826	2,101
Atlanta, Birmingham & Coast	606	679	708	1,479	1,168
Atlantic Coast Line	14,364	13,012	11,383	11,504	9,200
Central of Georgia	4,045	4,271	4,474	5,025	3,890
Charleston & Western Carolina	469	368	438	1,911	1,537
Clinchfield	1,658	1,176	1,625	3,182	2,501
Columbus & Greenville	312	241	302	216	252
Durham & Southern	117	170	171	533	414
Florida East Coast	3,577	2,291	1,141	1,599	1,205
Gainesville Midland	51	31	34	137	134
Georgia	1,064	1,217	1,078	2,917	2,667
Georgia & Florida	340	381	331	542	571
Gulf, Mobile & Ohio	3,342	3,880	3,771	5,789	3,472
Illinois Central System	24,352	27,997	22,508	15,191	14,640
Louisville & Nashville	23,880	23,903	24,423	11,376	9,071
Macon, Dublin & Savannah	157	186	146	908	696
Mississippi Central	221	165	171	448	412
Nashville, Chattanooga & St. L.	2,938	3,366	3,045	5,363	3,652
Norfolk Southern	1,098	1,116	1,088	1,770	1,281
Piedmont Northern	391	495	480	1,269	1,241
Richmond, Fred. & Potomac	397	444	359	11,610	9,657
Seaboard Air Line	10,403	9,858	10,283	9,619	7,220
Southern System	20,970	23,097	24,178	25,023	21,239
Tennessee Central	539	536	513	802	853
Winston-Salem Southbound	120	124	144	1,021	958
Total	116,488	120,223	113,903	122,468	100,455
Northwestern District—					
Chicago & North Western	14,700	17,798	15,812	13,368	14,333
Chicago Great Western	2,389	2,835	2,443	3,290	3,448
Chicago, Milw., St. P. & Pac.	19,353	21,579	20,757	10,530	10,037
Chicago, St. Paul, Minn. & Omaha	3,757	4,120	3,662	5,408	4,232
Duluth, Missabe & Iron Range	1,265	1,229	788	250	462
Duluth, South Shore & Atlantic	595	791	674	553	644
Elgin, Joliet & Eastern	9,050	10,081	9,764	9,821	10,521
Ft. Dodge, Des Moines & South	421	539	423	109	152
Great Northern	10,762	12,140	10,231	5,864	4,509
Green Bay & Western	469	584	537	751	968
Lake Superior & Ishpeming	245	315	241	50	73
Minneapolis & St. Louis	2,130	2,324	1,613	2,135	2,337
Minn., St. Paul & S. S. M.	4,559	5,815	5,043	3,091	3,773
Northern Pacific	8,898	10,400	9,448	4,638	4,598
Spokane International	79	81	97	498	309
Spokane, Portland & Seattle	2,135	2,749	2,328	3,144	2,723
Total	80,807	93,380	83,861	63,500	63,119
Central Western District—					
Atch., Top. & Santa Fe System	19,837	20,929	17,826	12,531	8,769
Alton	2,798	3,426	3,349	3,709	3,436
Bingham & Garfield	472	588	458	74	106
Chicago, Burlington & Quincy	18,983	16,288	16,225	12,230	10,755
Chicago & Illinois Midland	3,094	2,807	2,765	940	711
Chicago, Rock Island & Pacific	12,416	11,667	10,597	13,958	11,680
Chicago & Eastern Illinois	2,375	2,882	2,961	4,948	3,162
Colorado & Southern	747	892	726	1,839	1,577
Denver & Rio Grande Western	3,612	3,161	2,486	5,750	4,381
Denver & Salt Lake	834	642	491	6	12
Fort Worth & Denver City	838	889	969	1,261	988
Illinois Terminal	1,787	2,063	1,747	1,583	1,601
Missouri-Illinois	908	1,230	739	538	576
Nevada Northern	2,047	2,002	1,955	134	130
North Western Pacific	730	971	642	656	509
Peoria & Pekin Union	36	20	6	0	0
Southern Pacific (Pacific)	26,094	27,926	23,529	12,858	9,158
Toledo, Peoria & Western	345	267	337	1,695	1,115
Union Pacific System	13,529	15,504	14,422	14,133	11,527
Utah	571	552	337	1	6
Western Pacific	1,880	1,748	1,393	3,454	3,151
Total	113 933	116,454	103,960	92,298	73,350
Southwestern District—					
Burlington-Rock Island	651	485	151	214	255
Gulf Coast Lines	4,892	5,273	3,773	2,401	2,571
International-Great Northern	1,810	2,319	1,824	3,524	2,954
Kansas, Oklahoma & Gulf	307	308	183	987	926
Kansas City Southern	4,343	3,701	2,369	2,756	2,811
Louisiana & Arkansas	3,028	2,713	1,998	2,310	1,944
Litchfield & Madison	301	291	349	1,196	999
Midland Valley	683	478	648	350	234
Missouri & Arkansas	145	186	136	476	432
Missouri-Kansas-Texas Lines	5,621	4,955	4,135	6,432	3,970
Missouri Pacific	16,138	15,919	15,020	17,552	14,769
Quanah Acme & Pacific	50	88	75	352	199
St. Louis-San Francisco	7,947	8,754	7,919	7,836	7,621
St. Louis Southwestern	2,766	3,085	2,453	5,480	5,878
Texas & New Orleans	12,601	8,994	6,978	5,175	4,554
Texas & Pacific	4,359	3,874	3,633	6,670	6,395
Wichita Falls & Southern	76	101	138	30	38
Weatherford M. W. & N. W.	30	20	14	38	38
Total	65,748	61,544	51,796	63,779	56,588

*Previous week's figures.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
1942—Week Ended—				Current	Cumulative
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

good job on them. He has been saying that this is no attitude for them to take. There is no need, he has been telling them, of crucifying the Democratic Party with all it would entail to them. The thing to do is to wrest control of the party from the New Dealers and return it to the Democrats. There are still a lot of them who do not think it can be done, but nevertheless Jimmy has to report some surprising accomplishments. The New Dealers are moving out of OPA, via the draft and otherwise. An example of the new order may be seen in the recent publicity about a Dakota housewife whom the OPA had brought in to advise on the problems of housewives. No more New York lawyers to do this, but a Dakota housewife. Nothing could be more homey, or democratic than that.

It so happens that this particular woman hasn't been engaged in the business of housewifing for a long time. But she's been very active in Democratic politics as the Democratic National Committeewoman. Her husband is also a home-loving person as postmaster. This way of restoring the American economy is something the Democrats in Congress can understand. They are beginning to tighten up, as a result; to not be so ready to join with the Republicans on a vote to smack the President. They are beginning to see that perhaps it might be essential for FD to make the sacrifice again, if the party is to be returned to them.

A disturbing thing, though, is still Henry Wallace's prominence in FD's affections. Of course, it may be that FD intends to take him over to Geneva with him to make the sermons and conduct the prayers. But his standing in FD's counsels still unnerves the Democrats to whom Jimmy is pleading. And it might very well disturb a lot of other people.

By the time this appears, Henry will be in South America. It seems that the effectiveness of the good-will millions we have poured out down there has been largely nullified by the reflection of the same bickerings which go on here in Washington, the rivalry among the several agencies peddling this good-will in the first instance, and the conflict of philosophies on post-war trade, in the second.

You will remember that Jesse Jones took an awful smearing from the advanced thinkers some time ago over the question of whether he was to let the BEW, being short for Board of Economic Warfare, run hog wild. At the time, your correspondent pointed out that the BEW had coined a term "preclusive buying" and that under its shield there was no telling what the Board was doing, and that they were denouncing and smearing Jesse because he was of an inquisitive mind. Well, it develops indisputably from business men recently returned from South America that BEW is using its "preclusive buying" operations to establish a post-war situation whereby all foreign trade will be between Governments, not individuals.

South America, your correspondent is told by these returning travelers, is in for a tremendous industrial development after the war. The BEW insists that it must be a Government development. Eric Johnston, President of the U. S. Chamber of Commerce, got a crackerjack response everywhere down there with his argument that private enterprise should be permitted to carry out this development. Henry Wallace has gone down to offset him, and in the meantime, his BEW will insist that all it is doing is "preclusive buying."

Items About Banks, Trust Companies

Guaranty Trust Co. of New York announces that K. J. Panke, formerly Vice-President and Sales Manager of C. F. Childs & Co., has become associated with its U. S. Government Bond Department, in a senior capacity.

Frank H. Becker has become associated with the Guaranty Trust Co. of New York, in the U. S. Government Bond Department. Mr. Becker was formerly an officer of H. M. Byllesby & Co., Inc., for many years.

T. J. Ross, senior partner of Ivy Lee & T. J. Ross, has been elected a Trustee of the Emigrant Industrial Savings Bank, New York City.

William C. Robertson, Secretary-Treasurer of the Emigrant Bank, has been made a Vice-President and retains his former title.

The bank also announces that W. Francis FitzGerald has been appointed to the newly-created office of Assistant Vice-President in charge of public relations. Mr. FitzGerald recently resigned as Chairman of the impartial grievance committee of the Board of Transportation of the City of New York.

Clarence B. Plantz, Assistant Vice-President of the New York Savings Bank of New York since March, 1939, has been promoted to Vice-President. Mr. Plantz is Chairman of the Savings Banks Association Committee on Savings Bank Life Insurance and Secretary-Treasurer of Group IV of the Association.

Jules Adell has been appointed Assistant Secretary of the Trust Co. of North America.

Charles Oldenbuttel, Vice-President and Trust Officer of the People's National Bank of Brooklyn, was on March 9 elected a Director of the institution to fill a vacancy created by the resignation of F. L. Mills.

At a meeting of the Directors of the State Street Trust Co. of Boston on March 15, Marland C. Hobbs was elected to the Board. Mr. Hobbs is Vice-President and Director of Arlington Mills; also a Director of Atlantic Rayon Co. and Nonquitt Mills.

William S. Porter, retired Vice-President of the Summit Trust Co., Summit, N. J., died on March 8 at his home in Summit. He was 87 years old. Mr. Porter had served as Secretary-Treasurer of the trust company for more than 30 years before becoming Vice-President.

Directors of the First National Bank of Chicago on March 12 declared two extra dividends of 50 cents each, along with two regular quarterly payments of $2.50 each, representing a total distribution of $1,800,000 on the 300,000 shares of stock outstanding. The bank paid $10 a share in each of the last two years. Bank officers, in explaining the cash distribution, said the Board's decision was prompted by the recent U. S. Supreme Court ruling on the nontaxability of stock dividends, together with the impossibility of predicting whether Congress in its 1943 tax bill would specifically permit levying income taxes on dividends paid in stock, according to the Chicago "Tribune" of March 13. Last November the Directors decided against either increasing the dividend rate or declaring a stock dividend in view of the uncertainties of the times and the pending court case; this was reported in our issue of Nov. 19, page 1816.

The Chicago "Tribune" of March 13 further reported:

"As an indication of the trend of bank earnings, it was announced the funds for the extra disbursements came from the regular banking sources. The decision to pay in cash rather than stock does not represent a commitment for or against future action with respect to possible dividends in stock, it was said.

"The stock distribution had been anticipated through realization of funds from liquidation of the trust which holds stock of the First-Chicago corporation, a former underwriting affiliate of the bank that has been in process of liquidation for several years. Brown said last November that the bank eventually would realize more than $9,000,000 from this source."

Directors of the Bank of America National Trust & Savings Association of San Francisco have formally appointed Otto Jeidels as Vice-President, Vice-Chairman of the general Finance Committee and a member of the bank's advisory council. For the past four years Mr. Jeidels has been a partner of Lazard Freres & Co., New York, and previous to that was a well-known European banker. He will assume his new duties April 1. Greeting the opportunity to participate in the development in California and the Far West which may be expected to follow the war, Mr. Jeidels stated that this area always had represented to him a combination of vast resources and vigorous population endowed with courage and enterprise. He said:

"Sound counsel and judicious foresight will be required. Courage to expand a great nation's activities into distant and unaccustomed ventures will be indispensable in the position in which this war has placed the country.

"For great banks of this part of the country, and for business and financial centers on the Pacific Coast, there is a wide field among the United Nations to the north, west and south of us. This can be developed as industry, agriculture and commerce join their skill and pioneering spirit with the advice, the domestic and international contacts and the instrumentalities of the banks."

In keeping with previously announced decision that dividends on Bank of America common stock hereafter would be paid semi-annually instead of in quarterly instalments, directors of the bank took no action on dividends at their March meeting. The change in method, advice of which went to all common stockholders when dividends were declared for the half-year last September, is an economy measure, it is stated, designed to effect substantial savings in accounting, clerical labor and mailing expense. The next dividend meeting of the directors will be on June 8.

Nat'l Bank Assets Up; Loans Show Decline

The total assets of national banks on Dec. 31, 1942, amounted to nearly $55,000,000,000, it was announced March 9 by Comptroller of the Currency Preston Delano. Returns from the call covered the 5,087 active national banks in the United States and possessions. The assets reported were greater by $10,062,000,000 than those reported by the 5,107 national banks on June 30, 1942, the date of the previous call, and showed an increase of $11,243,000,000 over the amount reported by the 5,123 active banks on Dec. 31, 1941. The Comptroller's announcement adds: "Since the current figures exclude $349,000,000 of reciprocal interbank demand balances, reported gross on call dates prior to June 30, 1942, the increase in the total assets in December, 1942, over December, 1941, on a comparable basis would be greater by that amount.

"Loans and discounts as of Dec. 31, 1942, were $10,201,000,000, a decrease of $701,000,000 since June, 1942, and a decrease of $1,551,000,000 since December, 1941.

"The deposits totaled $50,649,000,000, an increase since June of $9,990,000,000, and an increase over Dec. 31, 1941, of $11,094,000,000 which, on a comparable basis, would be further increased by $349,000,000 of reciprocal bank balances. Deposits at the latest call date consisted of demand and time deposits of individuals, partnerships and corporations of $26,731,000,000 and $8,308,000,000, respectively, U. S. Government deposits of $4,833,000,000, deposits of States and political subdivisions of $2,695,000,000, postal savings of $9,000,000, certified and cashiers' checks, etc., of $672,000,000, and deposits of banks, excluding reciprocal balances, of $7,401,000,000.

"Investments by the banks in U. S. Government obligations direct and guaranteed as of Dec. 31, 1942, aggregated $23,825,000,000. These were $8,896,000,000 more than held by the banks on June 30, 1942, and $11,752,000,000 more than held in December the year previous. The direct and indirect obligations held on Dec. 31, last, were $22,261,000,000 and $1,564,000,000, respectively. Other bonds, stocks and securities held totaling $3,657,000,000, including obligations of States and political subdivisions of $2,022,000,000, showed decreases in the 6- and 12-month periods of $57,000,000 and $157,000,000, respectively.

"Cash of $733,000,000, balances with other banks, excluding reciprocal balances, of $7,267,000,000, and reserve with Federal Reserve banks of $8,250,000,000, a total of $16,250,000,000, increased $1,934,000,000 since June, and $1,248,000,000 since December, 1941.

"Bills payable, rediscounts, and other liabilitieis for borrowed money of $3,500,000 showed an increase of $1,500,000 since June, but a decrease of $262,000 in the amount reported as of December, 1941.

"The unimpaired capital stock of the banks was $1,504,000,000, including $146,000,000 preferred stock. Surplus of $1,439,000,000, undivided profits of $541,000,000, and reserves of $255,000,000, a total of $2,235,000,000, increased $63,000,000 and $101,000,000 in the 6- and 12-month periods, respectively.

"The percentage of loans and discounts to total deposits on Dec. 31, 1942, was 20.14, in comparison with 26.81 on June 30, 1942, and 29.71 on Dec. 31, 1941."

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Jan. 31, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $15,589,577,244, as against $15,410,130,365 on Dec. 31, 1942, and $11,174,681,997 on Jan. 31, 1942, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World war, that is on June 30, 1914, the total was $3,459,434,174.

W. A. Alexander Denver Reserve Director

The Board of Governors of the Federal Reserve System announced on March 2 the appointment of William A. Alexander, Vice-President of the Denver Tramway Corp., as a Director of the Denver Branch of the Federal Reserve Bank of Kansas City for the unexpired portion of the term ending Dec. 31, 1945.

Senate Group Urges Allied Organization To Maintain Peace In Post-War World

A resolution suggesting that the United States take the initiative in calling meetings of United Nations' representatives to work out war-time collaboration and peace-time security was introduced in the Senate on March 16.

The sponsors of the proposal are Senators Hatch (Dem., N. M.); Hill, (Dem., Ala.); Ball (Rep., Minn.), and Burton (Rep., Ohio). This group, together with Senator Connally (Dem., Tex.), Chairman of the Foreign Relations Committee, and Senator Wagner (Dem., N. Y.), conferred with President Roosevelt at the White House on March 14 as to his views on such a proposal and were reported to be in agreement on the broad objectives of the program.

The plan briefly provides that the United States take the lead in forming a United Nations organization with authority to carry out the following program:

"(1) To assist in co-ordinating and fully utilizing the military and economic resources of all member nations in the prosecution of the war against the Axis.

"(2) To establish temporary administrations for Axis-controlled areas of the world as these are occupied by United Nations forces, until such time as permanent governments can be established.

"(3) To administer relief and assistance in economic rehabilitation in territories of member nations needing such aid and in Axis territory occupied by United Nations forces.

"(4) To establish procedures and machinery for peaceful settlement of disputes and disagreements between nations.

"(5) To provide for the assembly and maintenance of a United Nations military force and to suppress by immediate use of such force any future attempt at military aggression by any nation."

In a joint statement, Senators Hatch, Hill, Ball and Burton, the four authors, said:

"We believe that an organization of the United Nations with the authority and the power to stop any future attempts at military aggression offers the best hope for maintaining world peace and stability after this war and at the same time is the most efficient and the least costly method in lives and wealth for the individual nations to obtain security for themselves.

"It is our opinion that the overwhelming majority of the American people favor United States participation in such a United Nations organization, based on the just and democratic principles of the Atlantic Charter, as the most preferable way to maintain our own national security and help maintain world stability and peace. The only way the people can express their desire is through the Congress. Hence this resolution.

"It is our deep conviction that the basic foreign policy of the United States should not become an issue in partisan politics, that it should be decided as soon as possible so that post-war planning may be effective, and that our policy should be determined, not on the basis of past debates based on conditions then existing, but on the basis of world conditions as they are today and are likely to develop in the future."

On N. Y. Banking Board

Governor Dewey has reappointed F. Abbot Goodhue and named John Foster Dulles and George L. Harrison to three-year terms on the State Banking Board. Mr. Goodhue is President of the Bank of the Manhattan Co., New York City; Mr. Dulles is senior member of the New York law firm of Sullivan & Cromwell, and Mr. Harrison is President of the New York Life Insurance Co. and was formerly President of the Federal Reserve Bank of New York. Mr. Dulles was named to succeed George L. Burr, while Mr. Harrison succeeds Henry R. Talmage.

Bank Loans For War Production Increase

Nearly $6,000,000,000 of war production loans and commitments by 414 of the nation's larger banks were outstanding on Dec. 31, according to the quarterly report of war lending activity prepared by the American Bankers Association. The survey, made available March 9, shows that bank loans and commitments for financing the manufacture of armaments and war supplies increased $887,000,000 during the fourth quarter of 1942.

The ABA announcement further stated:

"Of the $5,922,000,000 of total loans and commitments outstanding at the end of the year, $913,000,000 were for construction of war plants and factories and $5,008,000,000 were for the purchase of raw materials and other production expenses.

"Although the total of $913,000,000 for war plant construction represents a slight decline below the amount outstanding at the end of the third quarter of 1942, the $5,008,000,000 of loans and commitments for production of war supplies and equipment is an increase of $1,022,000,000 over the amount of these loans outstanding at the end of the third quarter.

"The slight decrease in plant construction loans, coupled with the large increase in loans for production of war supplies and equipment, reflects the fact that construction of new plants and factories has passed its peak and that an increasing amount of goods and supplies is now rolling from the factories."

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